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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**IN RE WELLS FARGO & COMPANY  
SHAREHOLDER DERIVATIVE  
LITIGATION**

Lead Case No. 3:16-cv-05541-JST

**DEFENDANT JOHN R.  
SHREWSBERRY'S ANSWER TO  
CONSOLIDATED AMENDED  
VERIFIED STOCKHOLDER  
DERIVATIVE COMPLAINT**

**I. NATURE AND SUMMARY OF THE ACTION**

1. Shrewsberry denies the allegations of paragraph 1 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 1 concerning any Defendant other than himself, and on that basis denies those allegations.

2. Shrewsberry denies the allegations of paragraph 2 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 2 concerning any Defendant other than himself, and on that basis denies those allegations.

3. Shrewsberry admits that Wells Fargo's 2010 Annual Report contains the statement quoted in paragraph 3, the contents of which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of this allegation, and therefore denies it. Shrewsberry denies the remaining allegations of paragraph 3 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 3 concerning any Defendant other than himself, and on that basis denies those allegations.

4. Shrewsberry admits that the transcript of the May 20, 2014, Investor Day Conference reflects that Ms. Tolstedt made the quoted statement. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 4 and therefore denies them.

5. Shrewsberry admits that the transcript of the May 20, 2014, Investor Day Conference reflects that he stated: "Our relationship focus and cross-sell capability is hopefully legendary at this point. It's been our vision for decades." Except as admitted, Shrewsberry denies the allegations in paragraph 5 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 5 concerning any Defendant other than himself, and on that basis denies those allegations.

1           6.       Shrewsberry admits that the transcript of the September 20, 2016, Senate  
2 Banking Committee Hearing contains the statement by Senator Toomey quoted in  
3 paragraph 6. Except as admitted, Shrewsberry denies the allegations of paragraph 6 to  
4 the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to  
5 form a belief about the truth of the allegations in paragraph 6 concerning any Defendant  
6 other than himself, and on that basis denies those allegations.

7           7.       Shrewsberry admits that the article by Maggie Smith at:  
8 [https://www.forbes.com/sites/maggiemcgrath/2016/09/13/treasury-secretary-jack-lew-](https://www.forbes.com/sites/maggiemcgrath/2016/09/13/treasury-secretary-jack-lew-what-wells-fargo-did-was-unacceptable/#6a19f241383b)  
9 [what-wells-fargo-did-was-unacceptable/#6a19f241383b](https://www.forbes.com/sites/maggiemcgrath/2016/09/13/treasury-secretary-jack-lew-what-wells-fargo-did-was-unacceptable/#6a19f241383b), contains the statements by  
10 Senator Warren and Secretary Lew quoted in paragraph 7. Shrewsberry further admits  
11 that the transcript of the September 20, 2016, Senate Banking Committee Hearing  
12 contains the statement by Mr. Curry, quoted in paragraph 7. Except as admitted,  
13 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
14 the allegations in paragraph 7, and on that basis denies them.

15           8.       Shrewsberry denies the allegations of paragraph 8 to the extent alleged  
16 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations in paragraph 8 concerning any Defendant other than  
18 himself, and on that basis denies those allegations.

19           9.       Shrewsberry admits that on September 8, 2016, the L.A. City Attorney, the  
20 U.S. Consumer Financial Protection Bureau (“CFPB”), and the Office of the Comptroller  
21 of the Currency (“OCC”) issued separate press releases and consent orders regarding  
22 Wells Fargo, the contents of which speak for themselves. Except as admitted,  
23 Shrewsberry denies the allegations in paragraph 9.

24           10.      Shrewsberry admits that the CFPB Consent Order, 2016-CFPB-0015,  
25 contains the statements quoted in paragraph 10. Except as admitted, Shrewsberry lacks  
26 knowledge or information sufficient to form a belief about the truth of the allegations in  
27 paragraph 10, and therefore denies them.

1           11.     Shrewsberry admits that the CFPB Consent Order, 2016-CFPB-0015,  
2 contains the statements quoted in paragraph 11. Except as admitted, Shrewsberry lacks  
3 knowledge or information sufficient to form a belief about the truth of the allegations in  
4 paragraph 11, and therefore denies them.

5           12.     Shrewsberry admits that the CFPB Consent Order, 2016-CFPB-0015,  
6 contains the statements quoted in paragraph 12. Except as admitted, Shrewsberry lacks  
7 knowledge or information sufficient to form a belief about the truth of the allegations in  
8 paragraph 12, and therefore denies them.

9           13.     Shrewsberry understands that the OCC takes the position that its  
10 supervisory communications with Wells Fargo are privileged and confidential  
11 supervisory information (with the privilege owned and controlled by the OCC), and that  
12 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
13 allegations of paragraph 13 by stating that he lacks knowledge or information sufficient  
14 to form a belief as to the truth of the allegations and on that basis denies them and refers  
15 the Court to the referenced document for its content.

16           14.     Shrewsberry admits that the Final Judgment Wells Fargo entered into with  
17 the L.A. City Attorney contains the terms as listed in paragraph 14. Except as admitted,  
18 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
19 the allegations in paragraph 14, and therefore denies them.

20           15.     Shrewsberry admits that a congressional investigation into Wells Fargo  
21 included hearings on September 20, 2016 and September 29, 2016, before the Senate  
22 Committee on Banking, Housing, and Urban Affairs and the House Financial Services  
23 Committee, respectively. Shrewsberry admits that Mr. Stumpf resigned after his  
24 congressional testimony. Shrewsberry denies the remaining allegations in paragraph 15.

25           16.     Shrewsberry admits that the transcript of the Senate Committee on  
26 Banking, Housing, and Urban Affairs hearing held on September 20, 2016, and the  
27 transcript of the House Financial Services Committee Hearing held on September 29,  
28 2016, contain the statements by Mr. Stumpf quoted and paraphrased in paragraph 16.

1 Shrewsberry denies the remaining allegations of paragraph 16 to the extent alleged  
2 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
3 about the truth of the remaining allegations in paragraph 16 concerning any Defendant  
4 other than himself, and on that basis denies those allegations.

5 17. Shrewsberry admits that the September 28, 2016, letter from Senators  
6 Warren, Merkley, and Menendez to the SEC, available at  
7 [https://www.warren.senate.gov/files/documents/2016-9-](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf)  
8 [28\\_Letter\\_to\\_SEC\\_RE\\_Wells\\_Investigation.pdf](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf), contains the statement quoted in  
9 paragraph 17. Shrewsberry denies the remaining allegations of paragraph 17 to the  
10 extent alleged against him. Shrewsberry lacks knowledge or information sufficient to  
11 form a belief about the truth of the remaining allegations in paragraph 17 concerning any  
12 Defendant other than himself, and on that basis denies those allegations.

13 18. Shrewsberry admits that the transcript of the September 20, 2016 hearing of  
14 the Senate Committee on Banking, Housing, and Urban Affairs contains the statement  
15 from Senator Toomey quoted and paraphrased in paragraph 18. Except as admitted,  
16 Shrewsberry denies the allegations in paragraph 18.

17 19. Shrewsberry admits that the transcript of a Senate Committee on Banking,  
18 Housing, and Urban Affairs hearing held on September 20, 2016, contains the statement  
19 from Mr. Curry quoted in paragraph 19. Except as admitted, Shrewsberry denies the  
20 allegations in paragraph 19.

21 20. Shrewsberry admits that the transcript of the September 20, 2016 hearing of  
22 the Senate Committee on Banking, Housing, and Urban Affairs contains the statement  
23 from Mr. Cordray quoted and paraphrased in paragraph 20. Shrewsberry lacks  
24 knowledge or information sufficient to form a belief about the truth of Mr. Cordray's  
25 statement and on that basis denies that portion of paragraph 20. Shrewsberry denies the  
26 remaining allegations of paragraph 20 to the extent alleged against him. Shrewsberry  
27 lacks knowledge or information sufficient to form a belief about the truth of the  
28

1 remaining allegations in paragraph 20 concerning any Defendant other than himself, and  
2 on that basis denies those allegations.

3 21. Shrewsberry denies the allegations of paragraph 21 to the extent alleged  
4 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
5 about the truth of the allegations in paragraph 21 concerning any Defendant other than  
6 himself, and on that basis denies those allegations.

7 22. Shrewsberry lacks knowledge or information sufficient to form a belief  
8 about the truth of the allegations in paragraph 22 and on that basis denies those  
9 allegations.

10 23. Shrewsberry lacks knowledge or information sufficient to form a belief  
11 about the truth of the allegations in paragraph 23 and on that basis denies those  
12 allegations.

13 24. Shrewsberry lacks knowledge or information sufficient to form a belief  
14 about the truth of the allegations in paragraph 24 concerning the 2008 whistleblower  
15 lawsuit, and on that basis denies those allegations. Shrewsberry denies the remaining  
16 allegations of paragraph 24 to the extent alleged against him. Shrewsberry lacks  
17 knowledge or information sufficient to form a belief about the truth of the remaining  
18 allegations in paragraph 24 concerning any Defendant other than himself, and on that  
19 basis denies those allegations.

20 25. Shrewsberry admits that six former Wells Fargo employees filed a lawsuit  
21 in the federal district court in Montana in 2009, in which they alleged they were  
22 wrongfully terminated. See *Finstad et al vs. Wells Fargo Bank*, D.MT., 6:09-cv-00046-  
23 CCL. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
24 form a belief about the truth of the allegations in paragraph 25 and on that basis denies  
25 those allegations.

26 26. Shrewsberry admits that Plaintiffs Yesenia Guitron and Judi Klosek filed  
27 suit in the Northern District of California that contained allegations of unethical business  
28 practices. Except as admitted, Shrewsberry lacks knowledge or information sufficient to

1 form a belief about the truth of the allegations in paragraph 26 and on that basis denies  
2 those allegations.

3 27. Shrewsberry admits that the transcript of the September 20, 2016 hearing  
4 before the Senate Committee on Banking, Housing, and Urban Affairs contains the  
5 statement by Mr. Stumpf as quoted and paraphrased in paragraph 27. Except as admitted,  
6 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
7 the allegations in paragraph 27, and on that basis denies those allegations.

8 28. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 28, and on that basis denies those  
10 allegations.

11 29. Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
12 House Financial Services Committee in September 2016 contains the statement quoted in  
13 paragraph 29. Except as admitted, Shrewsberry lacks knowledge or information  
14 sufficient to form a belief about the truth of the allegations in paragraph 29, and on that  
15 basis denies those allegations.

16 30. Shrewsberry admits that Wells Fargo's written responses to questions  
17 posed by the Senate Banking Committee contain the statements quoted and paraphrased  
18 in paragraph 30. Except as admitted, Shrewsberry lacks knowledge or information  
19 sufficient to form a belief about the truth of the allegations in paragraph 30, and on that  
20 basis denies those allegations.

21 31. Shrewsberry understands that the OCC takes the position that its  
22 supervisory communications with Wells Fargo are privileged and confidential  
23 supervisory information (with the privilege owned and controlled by the OCC), and that  
24 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
25 allegations of paragraph 31 by stating that he lacks knowledge or information sufficient  
26 to form a belief as to the truth of the allegations and on that basis denies them and refers  
27 the Court to the referenced document for its content.



1           32.     Shrewsberry understands that the OCC takes the position that its  
2     supervisory communications with Wells Fargo are privileged and confidential  
3     supervisory information (with the privilege owned and controlled by the OCC), and that  
4     no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
5     allegations of paragraph 32 by stating that he lacks knowledge or information sufficient  
6     to form a belief as to the truth of the allegations, and on that basis denies them and refers  
7     the Court to the referenced document for its content.

8           33.     Shrewsberry lacks knowledge or information sufficient to form a belief  
9     about the truth of the allegations in paragraph 33, and on that basis denies those  
10    allegations.

11          34.     Shrewsberry admits that the transcript of the Senate Committee on  
12    Banking, Housing, and Urban Affairs hearing held on September 20, 2016, contains the  
13    statement by CFPB Director Cordray paraphrased in paragraph 34. Except as admitted,  
14    Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
15    the allegations in paragraph 34, and on that basis denies those allegations.

16          35.     Shrewsberry admits that on October 4, 2013, a former employee filed a  
17    Complaint against Wells Fargo in San Mateo Superior Court alleging wrongful  
18    termination and retaliation. Except as admitted, Shrewsberry lacks knowledge or  
19    information sufficient to form a belief about the truth of the allegations in paragraph 35,  
20    and on that basis denies those allegations.

21          36.     Shrewsberry admits that Wells Fargo's written responses to the Senate  
22    Banking Committee contains the statement attributed to Mr. Stumpf. Except as admitted,  
23    Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
24    the allegations in paragraph 36, and on that basis denies those allegations.

25          37.     Shrewsberry admits that on December 21, 2013, the *Los Angeles Times* ran  
26    an article that contained the statements quoted in paragraph 37. Except as admitted,  
27    Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
28    the allegations in paragraph 37, and on that basis denies those allegations.



1           38.     Shrewsberry understand that the OCC takes the position that its supervisory  
2 communications with Wells Fargo are privileged and confidential supervisory  
3 information (with the privilege owned and controlled by the OCC), and that no response  
4 is permitted or appropriate. Accordingly, Shrewsberry responds to the allegations of  
5 paragraph 38 by stating that he lacks knowledge or information sufficient to form a belief  
6 as to the truth of the allegations, and on that basis denies them and refers the Court to the  
7 referenced document for its content.

8           39.     Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 39 and on that basis denies those  
10 allegations.

11           40.     Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
12 House Financial Services Committee reflects that he discussed the December 2013 L.A.  
13 Times article with the Board as set forth in the second sentence of paragraph 40. Except  
14 as admitted, Shrewsberry denies the allegations of paragraph 40 to the extent alleged  
15 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 40 concerning any Defendant other than  
17 himself, and on that basis denies those allegations.

18           41.     Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
19 Senate Banking Committee on September 20, 2016, contains the statements quoted and  
20 paraphrased in the first four sentences of paragraph 41. Except as admitted, Shrewsberry  
21 denies the allegations of paragraph 41 to the extent alleged against him. Shrewsberry  
22 lacks knowledge or information sufficient to form a belief about the truth of the  
23 allegations in paragraph 41 concerning any Defendant other than himself, and on that  
24 basis denies those allegations.

25           42.     Shrewsberry admits that on May 4, 2015, the L.A. City Attorney filed a  
26 civil enforcement action in the name of the People of the State of California. To the  
27 extent paragraph 42 purports to describe the Complaint or Final Judgment in that action,  
28 Shrewsberry responds that the documents speaks for themselves. Except as admitted,

1 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
2 the allegations in paragraph 42, and on that basis denies those allegations.

3 43. Shrewsberry lacks knowledge or information sufficient to form a belief  
4 about the truth of the allegations in paragraph 43, and on that basis denies those  
5 allegations.

6 44. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 44, and on that basis denies those  
8 allegations.

9 45. Shrewsberry admits that the Complaint filed in *Jabbari vs. Wells Fargo &*  
10 *Company and Wells Fargo Bank, N.A.*, No. 4:15-cv-02159-DMR (N.D. Cal.) (the  
11 “Jabbari Complaint”) (Dkt. No. 5), contains the quoted statement regarding sales goals –  
12 not quotas – from an alleged “Confidential Informant.” To the extent Plaintiffs purport to  
13 describe that Complaint, Shrewsberry responds that the document speaks for itself.  
14 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
15 belief about the truth of the allegations in paragraph 45, and on that basis denies them.

16 46. Shrewsberry admits that one independent consultant presented findings to  
17 Wells Fargo regarding the Bank’s sales practices, and another independent consultant  
18 presented findings to Wells Fargo regarding potential consumer harm related to  
19 potentially unauthorized accounts. Shrewsberry lacks knowledge or information  
20 sufficient to form a belief about the truth of the allegations in paragraph 46(c) concerning  
21 the CFPB. Shrewsberry understands that the OCC takes the position that its supervisory  
22 communications with Wells Fargo are privileged and confidential supervisory  
23 information (with the privilege owned and controlled by the OCC), and that no response  
24 is permitted or appropriate. Accordingly, Shrewsberry responds to the allegations of  
25 paragraph 46 that concern the OCC by stating that he lacks knowledge or information  
26 sufficient to form a belief as to the truth of the allegations, and on that basis denies them  
27 and refers the Court to the referenced documents for their content.

1           47.     Shrewsberry denies the allegations of paragraph 47 to the extent alleged  
2 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
3 about the truth of the allegations in paragraph 47 concerning any Defendant other than  
4 himself, and on that basis denies those allegations.

5           48.     Shrewsberry denies the allegations of paragraph 48 to the extent alleged  
6 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 48 concerning any Defendant other than  
8 himself, and on that basis denies those allegations.

9           49.     Shrewsberry admits that a February 1, 2017, letter available at  
10 [https://www.warren.senate.gov/?p=press\\_release&id=1423](https://www.warren.senate.gov/?p=press_release&id=1423), contains the statements from  
11 certain Senators as quoted in paragraph 49; the contents of that letter speak for itself.  
12 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
13 belief about the truth of the allegations in paragraph 49, and on that basis denies those  
14 allegations.

15           50.     Shrewsberry admits that Wells Fargo terminated certain employees for  
16 engaging in improper activities. Except as admitted, Shrewsberry denies the remaining  
17 allegations of paragraph 50 to the extent alleged against him. Shrewsberry lacks  
18 knowledge or information sufficient to form a belief about the truth of the remaining  
19 allegations in paragraph 50 concerning any Defendant other than himself, and on that  
20 basis denies those allegations.

21           51.     Shrewsberry denies the allegations of paragraph 51 to the extent alleged  
22 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations in paragraph 51 concerning any Defendant other than  
24 himself, and on that basis denies those allegations.

25           52.     Shrewsberry denies the allegations of paragraph 52 to the extent alleged  
26 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations in paragraph 52 concerning any Defendant other than  
28 himself, and on that basis denies those allegations.

1           53.     Shrewsberry admits that Wells Fargo entered a consent order with the  
2 Federal Reserve on July 20, 2011, and that the Federal Reserve issued a press release  
3 with the quoted language. Shrewsberry further admits that CNN published the quoted  
4 statement attributed to Mr. Stumpf. Except as admitted, Shrewsberry denies the  
5 allegations of paragraph 50 to the extent alleged against him. Shrewsberry lacks  
6 knowledge or information sufficient to form a belief about the truth of the allegations in  
7 paragraph 50 concerning any Defendant other than himself, and on that basis denies those  
8 allegations.

9           54.     Shrewsberry admits that Pricewaterhouse Coopers was engaged to review  
10 Wells Fargo records to identify accounts that may have been unauthorized. Shrewsberry  
11 admits that the transcript of Mr. Stumpf's testimony before the Senate Committee on  
12 Banking, Housing, and Urban Affairs on September 20, 2016, contains the statements  
13 from Mr. Stumpf quoted in paragraph 54. Except as admitted, Shrewsberry lacks  
14 knowledge or information sufficient to form a belief about the truth of the remaining  
15 allegations in paragraph 54, and on that basis denies those allegations.

16           55.     Shrewsberry admits that on September 8, 2016, Wells Fargo issued a press  
17 release and the Consumer Financial Protection Bureau entered a consent order with Wells  
18 Fargo, the contents of which speak for themselves. Except as admitted, Shrewsberry  
19 denies the allegations of paragraph 55 to the extent alleged against him. Shrewsberry  
20 lacks knowledge or information sufficient to form a belief about the truth of the  
21 remaining allegations in paragraph 55 concerning any Defendant other than himself, and  
22 on that basis denies those allegations.

23           56.     Shrewsberry denies the allegations of paragraph 56 to the extent alleged  
24 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the allegations concerning any Defendant other than himself, and on  
26 that basis denies those allegations.

## **II. JURISDICTION AND VENUE**

57. Paragraph 57 contains a legal conclusion to which no response is required. To the extent paragraph 57 includes factual allegations to which a response is required, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 57, and on that basis denies those allegations.

58. Shrewsberry admits that he is a resident of California as alleged in paragraph 58. Shrewsberry denies the remaining allegations of paragraph 58 as to him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

59. Paragraph 59 contains legal conclusions to which no response is required. To the extent paragraph 59 contains factual allegations to which a response is required, Shrewsberry admits that he is a resident of California. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 59, and on that basis denies those allegations.

## **III. INTRADISTRICT ASSIGNMENT**

60. Paragraph 60 contains a legal conclusion to which no response is required. To the extent paragraph 60 contains factual allegations to which a response is required, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 60, and on that basis denies them.

## **IV. PARTIES**

61. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 61, and on that basis denies those allegations.

62. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 62, and on that basis denies those allegations.

1           63. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 63, and on that basis denies those  
3 allegations.

4           64. Paragraph 64 contains legal conclusions to which no response is required..  
5 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
6 the remaining allegations in paragraph 64, and on that basis denies those allegations.

7           65. Shrewsberry lacks knowledge or information sufficient to form a belief  
8 about the truth of the allegations in paragraph 65, and on that basis denies those  
9 allegations.

10           66. Paragraph 66 contains a legal conclusion regarding citizenship of Wells  
11 Fargo to which no response is required. Shrewsberry admits the remaining allegations of  
12 paragraph 66.

13           67. Shrewsberry lacks knowledge or information sufficient to form a belief as  
14 to the truth of the allegations of paragraph 67 of the Complaint, except that Shrewsberry  
15 admits that i) Wells Fargo engaged in acquisitions and mergers in the late 1980s and  
16 1990s, including a merger with Norwest Corporation in 1998; ii) in 2008, Wells Fargo  
17 announced that it would acquire Wachovia Corporation; and iii) Wells Fargo has focused  
18 on the U.S. retail customer market.

19           68. Shrewsberry admits that the Q3 2016 Form 10-Q at page 3 contains the  
20 statements quoted and paraphrased in paragraph 68, the contents of which speak for  
21 itself. Except as otherwise admitted, Shrewsberry denies the allegations in paragraph 68.

22           69. Shrewsberry lacks knowledge or information sufficient to form a belief as  
23 to the truth of the allegations of paragraph 69 of the Complaint, except that Shrewsberry  
24 admits that (i) Wells Fargo's operating segments include Wholesale Banking, which  
25 provides financial solutions to businesses, Wealth and Investment Management, which  
26 provides personalized wealth management, investment and retirement products and  
27 services, including financial planning, private banking, credit, investment management  
28 and fiduciary services to high-net worth and ultra-high-net worth individuals and

1 families, and Community Banking, which provides financial products and services to  
2 customers and small businesses, including checking and savings accounts, credit and  
3 debit cards, auto, student, and small-business lending, investment, insurance, and trust  
4 services, and mortgage and home equity loans; and (ii) Community Banking earned  
5 approximately twice the annual revenue of Wholesale Banking and more than three times  
6 the revenue of Wealth and Investment Management during the alleged Relevant Period.

7 70. Shrewsberry admits that Shrewsberry John G. Stumpf held various  
8 positions at Wells Fargo, including CEO, and was a director on Wells Fargo's Board.  
9 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
10 belief about the truth of the allegations in paragraph 70, and on that basis denies those  
11 allegations.

12 71. Shrewsberry admits that Mr. Sloan was elected chief executive officer of  
13 Wells Fargo in October 2016, and that prior to that time, he served in various positions at  
14 Wells Fargo, including president, chief financial officer, chief operating officer, and head  
15 of the wholesale banking business. Except as admitted, Shrewsberry lacks knowledge or  
16 information sufficient to form a belief about the truth of the remaining allegations in  
17 paragraph 71, and on that basis denies those allegations.

18 72. Shrewsberry admits that Ms. Tolstedt held various positions at Wells Fargo,  
19 including as head of Community Banking. Except as admitted, Shrewsberry lacks  
20 knowledge or information sufficient to form a belief about the truth of the allegations in  
21 paragraph 72, and on that basis denies those allegations.

22 73. Shrewsberry admits the first and second sentences of paragraph 73. As to  
23 the third sentence, to the extent Plaintiffs purport to paraphrase Wells Fargo's public  
24 filings concerning his compensation, Shrewsberry respectfully refers the Court to those  
25 filings for their content and further responds that his compensation was awarded under  
26 terms set forth in Wells Fargo's proxy statements. Except as admitted, Shrewsberry lacks  
27 knowledge or information sufficient to form a belief about the truth of the allegations in  
28 paragraph 72, and on that basis denies those allegations.



1           74. Shrewsberry admits that Mr. Loughlin is currently a Senior Executive Vice  
2 President and Chief Risk Officer of Wells Fargo, and that he held various positions at  
3 Wells Fargo prior to that time. Except as admitted, Shrewsberry lacks knowledge or  
4 information sufficient to form a belief about the truth of the allegations in paragraph 74,  
5 and on that basis denies those allegations.

6           75. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 75, and on that basis denies those  
8 allegations.

9           76. Shrewsberry admits that Mr. Baker is a director of Wells Fargo and has  
10 served on various board committees. Except as admitted, Shrewsberry lacks knowledge  
11 or information sufficient to form a belief about the truth of the allegations in paragraph  
12 76, and on that basis denies those allegations.

13           77. Shrewsberry admits that Ms. Chao has served as a director of Wells Fargo  
14 and on various committees of the board. Except as admitted, Shrewsberry lacks  
15 knowledge or information sufficient to form a belief about the truth of the allegations in  
16 paragraph 77, and on that basis denies those allegations.

17           78. Shrewsberry admits that Mr. Chen has served as a director of Wells Fargo  
18 and on various committees of the board. Except as admitted, Mr. Shrewsberry lacks  
19 knowledge or information sufficient to form a belief about the truth of the allegations in  
20 paragraph 78, and on that basis denies those allegations.

21           79. Shrewsberry admits that Mr. Dean has served as a director of Wells Fargo  
22 and on various committees of the board. Except as admitted Shrewsberry lacks  
23 knowledge or information sufficient to form a belief about the truth of the allegations in  
24 paragraph 79, and on that basis denies those allegations.

25           80. Shrewsberry admits that Ms. Duke has served as a director of Wells Fargo  
26 and on various committees of the board. Except as admitted, Shrewsberry lacks  
27 knowledge or information sufficient to form a belief about the truth of the remaining  
28 allegations in paragraph 80, and on that basis denies those allegations.

1           81.     Shrewsberry admits that Ms. Engel has served as a director of Wells Fargo  
2 and on various committees of the board. Except as admitted, Shrewsberry lacks  
3 knowledge or information sufficient to form a belief about the truth of the allegations in  
4 paragraph 81, and on that basis denies those allegations.

5           82.     Shrewsberry admits that Mr. Hernandez has served as a director of Wells  
6 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
7 knowledge or information sufficient to form a belief about the truth of the allegations in  
8 paragraph 82, and on that basis denies those allegations.

9           83.     Shrewsberry admits that Mr. James has served as a director of Wells Fargo  
10 and on various committees of the board. Except as admitted, Shrewsberry lacks  
11 knowledge or information sufficient to form a belief about the truth of the allegations in  
12 paragraph 83, and on that basis denies those allegations.

13           84.     Shrewsberry admits that Ms. Milligan has served as a director of Wells  
14 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
15 knowledge or information sufficient to form a belief about the truth of the remaining  
16 allegations in paragraph 84, and on that basis denies those allegations.

17           85.     Shrewsberry admits that Mr. Pena has served as a director of Wells Fargo  
18 and on various committees of the board. Except as admitted, Shrewsberry lacks  
19 knowledge or information sufficient to form a belief about the truth of the allegations in  
20 paragraph 85, and on that basis denies those allegations.

21           86.     Shrewsberry admits that Mr. Quigley has served as a director of Wells  
22 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
23 knowledge or information sufficient to form a belief about the truth of the allegations in  
24 paragraph 86, and on that basis denies those allegations.

25           87.     Shrewsberry admits that Ms. Runstad has served as a director of Wells  
26 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
27 knowledge or information sufficient to form a belief about the truth of the allegations in  
28 paragraph 87, and on that basis denies those allegations.

1           88. Shrewsberry admits that Mr. Sanger has been Chairman of Wells Fargo's  
2 Board of Directors, has previously been a director and served on various committees of  
3 the board. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
4 form a belief about the truth of the allegations in paragraph 88, and on that basis denies  
5 those allegations.

6           89. Shrewsberry admits that Ms. Swenson has served as a director of Wells  
7 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
8 knowledge or information sufficient to form a belief about the truth of the allegations in  
9 paragraph 89, and on that basis denies those allegations.

10          90. Shrewsberry admits that Ms. Vautrinot has served as a director of Wells  
11 Fargo and on various committees of the board. Except as admitted, Shrewsberry lacks  
12 knowledge or information sufficient to form a belief about the truth of the remaining  
13 allegations in paragraph 90, and on that basis denies those allegations

14          91. Paragraph 91 does not contain factual allegations that require a response.  
15 To the extent paragraph 91 contains factual allegations that require a response,  
16 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
17 the allegations in paragraph 91, and on that basis denies those allegations.

18           **V. DEFENDANTS WERE OBLIGATED TO SAFEGUARD THE**  
19           **COMPANY'S INTERESTS AND COMPLY WITH APPLICABLE**  
20           **LAWS**

21          92. The allegations of paragraph 92 call for a legal conclusion to which no  
22 response is required. To the extent paragraph 92 contains factual allegations that require  
23 a response, Shrewsberry lacks knowledge or information sufficient to form a belief about  
24 the truth of those allegations, and on that basis denies them.

25          93. Shrewsberry denies the allegations of paragraph 93 to the extent alleged  
26 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations concerning any Defendant other than himself, and on  
28 that basis denies those allegations.

1           94. Paragraph 94 contains a legal conclusion to which no response is required. ;  
 2 To the extent that paragraph 94 of the Complaint contains factual allegations to which a  
 3 response is required, Shrewsberry denies the allegations of paragraph 94 of the  
 4 Complaint to the extent alleged against him. Shrewsberry lacks knowledge or information  
 5 sufficient to form a belief about the truth of the allegations concerning any Defendant  
 6 other than himself, and on that basis denies those allegations.

7           95. Paragraph 95 contains a legal conclusion to which no response is required.  
 8 To the extent that paragraph 95 contains factual allegations to which a response is  
 9 required, Shrewsberry lacks knowledge or information sufficient to form a belief about  
 10 the truth of those allegations, and on that basis denies them.

11           96. Paragraph 96 contains a legal conclusion to which no response is required.  
 12 To the extent that paragraph 96 contains factual allegations to which a response is  
 13 required, Shrewsberry lacks knowledge or information sufficient to form a belief about  
 14 the truth of those allegations, and on that basis denies them.

15           97. Shrewsberry admits that the FDIC Laws, Regulations, Related Acts 5000,  
 16 available at <https://www.fdic.gov/regulations/laws/rules/5000-3300.html>, contain the  
 17 statement quoted and paraphrased in paragraph 97, without the added emphasis. Except  
 18 as expressly admitted, Shrewsberry denies the allegations in paragraph 97.

19           98. Shrewsberry understands that the OCC takes the position that its  
 20 supervisory communications with Wells Fargo are privileged and confidential  
 21 supervisory information (with the privilege owned and controlled by the OCC), and that  
 22 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
 23 allegations of paragraph 98 that concern the OCC by stating that he lacks knowledge or  
 24 information sufficient to form a belief as to the truth of the allegations, and on that basis  
 25 denies them and refers the Court to the referenced documents for their content.

26           99. Shrewsberry understands that the OCC takes the position that its  
 27 supervisory communications with Wells Fargo are privileged and confidential  
 28 supervisory information (with the privilege owned and controlled by the OCC), and that

1 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
2 allegations of paragraph 99 that concern the OCC by stating that he lacks knowledge or  
3 information sufficient to form a belief as to the truth of the allegations, and on that basis  
4 denies them and refers the Court to the referenced documents for their content.

5 100. Shrewsberry admits that paragraph 100 accurately quotes Wells Fargo's  
6 2012 annual report, the contents of which speak for itself. Shrewsberry denies that the  
7 2013 annual report contains the quote as alleged in paragraph 100. Except as expressly  
8 admitted, Shrewsberry denies the allegations in paragraph 100.

9 101. Shrewsberry admits that the Board's several standing committees –  
10 including the Audit and Examination Committee, the Risk Committee, the Corporate  
11 Responsibility Committee, the Human Resource Committee, and the Governance and  
12 Nominating Committee – have their own charters setting forth certain responsibilities for  
13 their members, in addition to the responsibilities of Board members generally, and that  
14 these committees monitor specific aspects of the business. Except as admitted,  
15 Shrewsberry denies the allegations in paragraph 101.

16 102. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations in paragraph 102, and therefore denies them.

18 103. Shrewsberry admits that the Audit and Examination Committee Charter  
19 contains the statements quoted with respect to the Audit Committee's oversight.  
20 Shrewsberry admits that as of the filing of this Answer, the Board's Audit and  
21 Examination Committee is comprised of Quigley, Baker, Pena, Sargent, and Swenson.  
22 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
23 belief about the truth of the allegations in paragraph 103, and therefore denies them.

24 104. Shrewsberry admits that the current Audit and Examination Committee  
25 Charter contains the statements paraphrased in paragraph 104, without the added  
26 emphasis. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
27 form a belief about the truth of the allegations in paragraph 104, and therefore denies  
28 them.

1           105. Shrewsberry admits that the current Audit and Examination Committee  
2 Charter contains the language quoted in paragraph 105. Except as admitted, Shrewsberry  
3 lacks knowledge or information sufficient to form a belief about the truth of the  
4 allegations in paragraph 105, and therefore denies them.

5           106. Shrewsberry admits that the Risk Committee is currently comprised of  
6 Peetz (chair), Duke, Hernandez, Pujadas, Quigley, and Vautrinot. Shrewsberry admits  
7 that Wells Fargo's 2014 Annual Report contains the language quoted in the second  
8 sentence of paragraph 106, the contents of which speak for itself. Shrewsberry further  
9 admits that paragraph 106 paraphrases the current Risk Committee Charter. Except as  
10 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
11 the truth of the allegations in paragraph 106, and therefore denies them.

12           107. Shrewsberry admits that the Human Resources Committee is currently  
13 comprised of Dean (Chair), Chen, James, Peetz, and Sargent. Shrewsberry admits that  
14 paragraph 107 paraphrases certain language in the current Human Resources Committee  
15 Charter. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
16 form a belief about the truth of the allegations in paragraph 107, and therefore denies  
17 them.

18           108. Shrewsberry admits that Wells Fargo's 2016 Annual Proxy Statement  
19 contains the language quoted in paragraph 108, the contents of which speak for itself.  
20 Except as admitted, Shrewsberry denies the allegations in paragraph 108.

21           109. Shrewsberry admits that the current Corporate Responsibility Committee  
22 Charter contains the language quoted in paragraph 109. Shrewsberry admits the  
23 Corporate Responsibility Committee is currently comprised of Pena (Chair), Baker,  
24 Dean, Hernandez, Milligan, and Vautrinot. Except as admitted, Shrewsberry lacks  
25 knowledge or information sufficient to form a belief about the truth of the allegations in  
26 paragraph 109, and therefore denies them.

27           110. Shrewsberry admits the current Governance and Nominating Committee  
28 Charter contains the language quoted in paragraph 110. Shrewsberry admits that the

1 Governance and Nominating Committee is comprised of James (Chair), Dean, Duke,  
2 Pena, and Sargent. Except as admitted, Shrewsberry lacks knowledge or information  
3 sufficient to form a belief about the truth of the allegations in paragraph 110, and  
4 therefore denies them.

5 111. Shrewsberry admits that Wells Fargo's 2014 Annual Proxy contains the  
6 language quoted in paragraph 111, the contents of which speaks for itself. Except as  
7 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
8 the truth of the allegations in paragraph 111, and on that basis denies them.

9 112. Shrewsberry admits that the current Governance and Nominating  
10 Committee Charter contains the language quoted in paragraph 112. Except as admitted,  
11 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
12 the allegations in paragraph 112, and on that basis denies them.

13 113. Shrewsberry admits that the current Wells Fargo Corporate Governance  
14 Guidelines contain the language quoted in paragraph 113. Except as admitted,  
15 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
16 the allegations in paragraph 113, and on that basis denies them.

17 114. Shrewsberry admits that the Wells Fargo Corporate Governance Guidelines  
18 contains the language quoted in paragraph 114. Except as admitted, Shrewsberry lacks  
19 knowledge or information sufficient to form a belief about the truth of the allegations in  
20 paragraph 114, and on that basis denies them.

21 115. Shrewsberry lacks knowledge or information sufficient to form a belief  
22 about the truth of the allegations in paragraph 115, and on that basis denies them.

23 116. Shrewsberry admits that the information contained in proxy statements was  
24 filed with the SEC before soliciting a shareholder vote. The remaining allegations of  
25 paragraph 116 contain conclusions of law, which do not require a response. Except as  
26 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
27 the truth of the allegations in paragraph 116, and on that basis denies them.



1           117. Shrewsberry admits that Wells Fargo's 2016 Proxy Statement contains the  
2 language quoted in paragraph 117, the contents of which speak for itself. Except as  
3 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
4 the truth of the allegations in paragraph 117, and on that basis denies them.

5           118. Shrewsberry admits that Wells Fargo's 2016 Proxy Statement contains the  
6 language quoted and paraphrased in paragraph 118, the contents of which speak for itself.  
7 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
8 belief about the truth of the allegations in paragraph 118, and on that basis denies them.

9           119. Shrewsberry admits that from 2012 through 2016, Wells Fargo's Annual  
10 Proxy Statements included a stockholder proposal to adopt a policy requiring an  
11 independent director and that also included certain Board recommendations, the contents  
12 of which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
13 information sufficient to form a belief about the truth of the allegations in paragraph 119,  
14 and on that basis denies them.

15           120. Shrewsberry admits that the 2014 Proxy Statement, filed on March 18,  
16 2014, prior to the April 29, 2014 annual meeting of stockholders, contains the language  
17 quoted in paragraph 120, without the added emphasis, the contents of which speak for  
18 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form  
19 a belief about the truth of the allegations in paragraph 120, and on that basis denies them.

20           121. Shrewsberry admits that the 2015 Proxy Statement, filed on March 17,  
21 2015, prior to the annual stockholders meeting, contains the language quoted in  
22 paragraph 121, the contents of which speak for itself. Except as admitted, Shrewsberry  
23 lacks knowledge or information sufficient to form a belief about the truth of the  
24 allegations in paragraph 121, and on that basis denies them.

25           122. Shrewsberry admits that the 2016 Proxy Statement, published on March 16,  
26 2016, contains certain Board recommendations, the contents of which speak for  
27 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
28

1 to form a belief about the truth of the allegations in paragraph 122, and on that basis  
2 denies them.

### 3 **VI. ALLEGATIONS REGARDING THE CREATION OF** 4 **UNAUTHORIZED ACCOUNTS**

5 123. Shrewsberry denies the allegations of paragraph 123 to the extent alleged  
6 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations concerning any Defendant other than himself, and on  
8 that basis denies those allegations.

9 124. Shrewsberry admits that Wells Fargo, at certain times during the relevant  
10 period, stated in public filings and elsewhere, that it had an initiative that set a goal of  
11 selling eight products per household. Shrewsberry admits that the December 2013 Los  
12 Angeles Times article contained the statement quoted, without the bracketed material,  
13 and attributed the statement to Michael Moebs. Except as admitted, Shrewsberry denies  
14 the allegations in paragraph 124 to the extent alleged against him. Shrewsberry lacks  
15 knowledge or information sufficient to form a belief about the truth of the allegations  
16 concerning any Defendant other than himself, and on that basis denies those allegations.

17 125. Shrewsberry admits that the 1999 Wells Fargo Annual Report contained the  
18 language quoted in paragraph 125, the contents of which speak for itself. Shrewsberry  
19 admits that at certain points during the relevant period, Wells Fargo, and those  
20 representing Wells Fargo, made certain public statements indicating that its cross-sell  
21 program was a part of its growth strategy. Except as admitted, Shrewsberry denies the  
22 allegations in paragraph 125 to the extent alleged against him. Shrewsberry lacks  
23 knowledge or information sufficient to form a belief about the truth of the allegations  
24 concerning any Defendant other than himself, and on that basis denies those allegations.

25 126. Shrewsberry admits that the 2006 Wells Fargo Annual report contains the  
26 language quoted in paragraph 126, the content of which speak for itself. Except as  
27 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
28 the truth of the allegations in paragraph 126, and on that basis denies them.

1           127. Shrewsberry admits that the 2007 Wells Fargo Annual report contains the  
2 language quoted in paragraph 126, except for the alterations in brackets and the added  
3 emphasis, the content of which speaks for itself. Except as admitted, Shrewsberry lacks  
4 knowledge or information sufficient to form a belief about the truth of the allegations in  
5 paragraph 127, and on that basis denies them

6           128. Shrewsberry admits that at certain points during the relevant period, Wells  
7 Fargo, and those representing Wells Fargo, made certain public statements indicating that  
8 its cross-sell program was a part of its growth strategy. Shrewsberry admits that at  
9 certain points during the relevant period, he made public statements regarding cross-sell  
10 and indicated that cross-selling was related to Wells Fargo's business model. Except as  
11 admitted, Shrewsberry denies the allegations in paragraph 128 to the extent alleged  
12 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations concerning any Defendant other than himself, and on  
14 that basis denies those allegations.

15           129. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 129, and on that basis denies those  
17 allegations.

18           130. Shrewsberry admits that the 2010 Wells Fargo Annual report contains the  
19 language quoted in paragraph 130, except for the alterations in brackets, the content of  
20 which speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
21 sufficient to form a belief about the truth of the allegations in paragraph 130, and on that  
22 basis denies them.

23           131. Shrewsberry admits that the Q1 2011 10-Q filed with the SEC on May 6,  
24 2011, contains the language quoted in paragraph 131, except for the added emphasis, the  
25 contents of which speaks for itself. Except as admitted, Shrewsberry lacks knowledge or  
26 information sufficient to form a belief about the truth of the allegations in paragraph 131,  
27 and on that basis denies those allegations.

1           132. Shrewsberry admits that the 2013 Wells Fargo Annual report contains the  
2 language quoted in paragraph 132, the contents of which speaks for itself. Except as  
3 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
4 the truth of the allegations in paragraph 132, and on that basis denies them.

5           133. Shrewsberry admits that the 2013 Wells Fargo Annual report contains the  
6 language quoted in paragraph 133, except for the added emphasis, the contents of which  
7 speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
8 sufficient to form a belief about the truth of the allegations in paragraph 133, and on that  
9 basis denies them.

10           134. Shrewsberry admits that the 2013 Wells Fargo Annual report contains the  
11 language quoted in paragraph 134, except for the added emphasis, the content of which  
12 speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
13 sufficient to form a belief about the truth of the allegations in paragraph 134, and on that  
14 basis denies them.

15           135. Shrewsberry admits that the 2013 Wells Fargo Annual report contains the  
16 language quoted in paragraph 135, except for the added emphasis, the content of which  
17 speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
18 sufficient to form a belief about the truth of the allegations in paragraph 135, and on that  
19 basis denies them.

20           136. Shrewsberry admits that the transcript of the May 20, 2014, Investor Day  
21 Conference contains the statement from Mr. Stumpf quoted in paragraph 136. He further  
22 admits that the same transcript contains the quoted statement attributed to him, in which  
23 he stated: "Our relationship focus and cross-sell capability is hopefully legendary at this  
24 point. It's been our vision for decades." Except as admitted, Shrewsberry lacks  
25 knowledge or information sufficient to form a belief about the truth of the allegations in  
26 paragraph 136, and on that basis denies them.

27           137. Shrewsberry admits that the transcript of the May 20, 2014, Investor Day  
28 Conference contains statements from Ms. Tolstedt that are paraphrased in paragraph 137,

1 the transcript speaks for itself. Except as admitted, Shrewsberry lacks knowledge or  
2 information sufficient to form a belief about the truth of the allegations in paragraph 137,  
3 and on that basis denies them.

4 138. Shrewsberry admits that the transcript of the May 20, 2014, Investor Day  
5 Conference contains a statement from Mr. Sloan that is paraphrased in paragraph 138, the  
6 transcript speaks for itself. Except as admitted, Shrewsberry lacks knowledge or  
7 information sufficient to form a belief about the truth of the allegations in paragraph 137,  
8 and on that basis denies them.

9 139. Shrewsberry admits that the transcript of the Barclays Capital 2014 Global  
10 Financial Services Conference held on September 10, 2014 contains the statements  
11 attributed to him, the contents of which speaks for itself. Except as admitted, Shrewsberry  
12 lacks knowledge or information sufficient to form a belief about the truth of the  
13 allegations in paragraph 139, and on that basis denies them.

14 140. Shrewsberry denies the allegations in paragraph 140 to the extent alleged  
15 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations concerning any Defendant other than himself, and on  
17 that basis denies them.

18 141. Shrewsberry admits that the 2014 Wells Fargo Annual report contains the  
19 language quoted in paragraph 141, the content of which speaks for itself. Except as  
20 admitted, Shrewsberry denies the allegations in paragraph 141.

21 142. Shrewsberry admits that Wells Fargo reported cross-sell metrics in certain  
22 annual reports to shareholders, the content of which speaks for itself. Shrewsberry  
23 admits that the 2010 Wells Fargo Annual report contains the language quoted in  
24 paragraph 142. Except as admitted, Shrewsberry denies the allegations in paragraph 142.

25 143. Shrewsberry admits that the Q1 2011 10-Q contains the statement quoted in  
26 paragraph 143, the content of which speaks for itself. Except as admitted, Shrewsberry  
27 denies the allegations in paragraph 143.

1           144. Shrewsberry admits that the 2011-2015 annual reports contains the  
2 statements quoted in paragraph 144, the contents of which speak for themselves. Except  
3 as admitted, Shrewsberry denies the allegations in paragraph 144.

4           145. Shrewsberry admits that the transcript from the Wells Fargo Q2 2013  
5 earnings call contains the quoted language from Mr. Stumpf. Except as admitted,  
6 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
7 the allegations in paragraph 145, and on that basis denies them.

8           146. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 146, and on that basis denies those  
10 allegations.

11           147. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in paragraph 147, and on that basis denies those  
13 allegations.

14           148. Shrewsberry lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations in paragraph 148, and on that basis denies those  
16 allegations.

17           149. Shrewsberry lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in paragraph 149, and on that basis denies those  
19 allegations.

20           150. Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations in paragraph 150, and on that basis denies those  
22 allegations.

23           151. Shrewsberry denies the allegations in paragraph 151 to the extent alleged  
24 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the remaining allegations concerning any Defendant other than himself,  
26 and on that basis denies those allegations.

27           152. Shrewsberry lacks knowledge or information sufficient to form a belief  
28 about the truth of the allegations in paragraph 152, and on that basis denies them.

1           153. Shrewsberry admits that the Wells Fargo Code of Ethics and Business  
2 Conduct contains the language quoted in paragraph 153, the content of which speaks for  
3 itself. Shrewsberry lacks knowledge or information sufficient to form a belief about the  
4 truth of the remaining allegations in paragraph 153, and on that basis denies them.

5           154. Shrewsberry admits that the transcript of the House Financial Services  
6 Committee Hearing reflecting Mr. Stumpf's testimony on September 29, 2016, contains  
7 the language quoted in paragraph 154, except for the bracketed additions. Except as  
8 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
9 the truth of the allegations in paragraph 154, and on that basis denies those allegations.

10           155. Shrewsberry admits that the responses to questions posed by the Senate  
11 Banking Committee contained the statement quoted or paraphrased in paragraph 155, the  
12 content of which speaks for itself. Except as admitted, Shrewsberry lacks knowledge or  
13 information sufficient to form a belief about the truth of the allegations in paragraph 155,  
14 and on that basis denies those allegations.

15           156. Shrewsberry admits that the responses to questions posed by the Senate  
16 Banking Committee contained the statements quoted or paraphrased in paragraph 156,  
17 the content of which speaks for itself. Except as admitted, Shrewsberry lacks knowledge  
18 or information sufficient to form a belief about the truth of the allegations in paragraph  
19 156, and on that basis denies those allegations.

20           157. Shrewsberry admits that the responses to questions posed by the Senate  
21 Banking Committee contained the statements quoted or paraphrased in paragraph 157,  
22 the content of which speaks for itself. Except as admitted, Shrewsberry lacks knowledge  
23 or information sufficient to form a belief about the truth of the allegations in paragraph  
24 157.

25           158. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 158, and on that basis denies them.

27           159. Shrewsberry admits that Wells Fargo provided a written response to the  
28 questions posed by the Senate Banking Committee, the contents of which speak for



1 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
2 to form a belief about the truth of the allegations in paragraph 159, and on that basis  
3 denies them.

4 160. Shrewsberry admits that the transcript of the Senate Committee on  
5 Banking, Housing, and Urban Affairs hearing held on September 20, 2016, contains the  
6 following statement attributed to Mr. Stumpf: “In 2011, a dedicated team began to  
7 engage in proactive monitoring of data analytics, specifically for the purpose of rooting  
8 out sales practice violations.” Except as admitted, Shrewsberry lacks knowledge or  
9 information sufficient to form a belief about the truth of the allegations in paragraph 160,  
10 and on that basis denies them.

11 161. Shrewsberry admits that paragraph 161 contains a paraphrase of Wells  
12 Fargo’s written response to questions posed by the Senate Banking Committee, the  
13 contents of which speak for themselves. Except as admitted, Shrewsberry lacks  
14 knowledge or information sufficient to form a belief about the truth of the allegations in  
15 paragraph 161, and on that basis denies them.

16 162. Shrewsberry admits that the transcript of a Senate Committee on Banking,  
17 Housing, and Urban Affairs hearing held on September 20, 2016, contains the statement  
18 from Mr. Stumpf quoted and paraphrased in paragraph 162. Except as admitted,  
19 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
20 the allegations in paragraph 162, and on that basis denies them.

21 163. Shrewsberry admits that the December 21, 2013, Los Angeles Times  
22 Article contains the language quoted in paragraph 163. Except as admitted, Shrewsberry  
23 lacks knowledge or information sufficient to form a belief about the truth of the  
24 allegations in paragraph 163, and on that basis denies them.

25 164. Shrewsberry admits that the L.A. Times Article contains the language  
26 paraphrased and quoted in paragraph 164 and attributes these statements to Erik Estrada,  
27 except for the last sentence of paragraph 164, which is attributed to “Wells Fargo  
28 staffers.” Except as admitted, Shrewsberry lacks knowledge or information sufficient to

1 form a belief about the truth of the allegations in paragraph 164, and on that basis denies  
2 them.

3 165. Shrewsberry admits that the L.A. Times article contains the language  
4 quoted in paragraph 165, and attributes these statements to Mr. Estrada. Except as  
5 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
6 the truth of the allegations in paragraph 165, and on that basis denies them.

7 166. Shrewsberry admits that the L.A. Times article reported that individuals  
8 made the statements quoted in paragraph 166. Except as admitted, Shrewsberry lacks  
9 knowledge or information sufficient to form a belief about the truth of the allegations in  
10 paragraph 166, and on that basis denies them.

11 167. Shrewsberry admits that the L.A. Times article reported the information  
12 alleged in paragraph 167. Except as admitted, Shrewsberry lacks knowledge or  
13 information sufficient to form a belief about the truth of the allegations in paragraph 167,  
14 and on that basis denies them.

15 168. Shrewsberry admits that the L.A. Times article contains the language  
16 quoted in paragraph 168, and attributes this statement to Mr. Sloan. Except as admitted,  
17 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
18 the allegations in paragraph 168, and on that basis denies them.

19 169. Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
20 House Financial Service Committee reflects that he testified that he discussed the L.A.  
21 Times article with the board, and, when asked at the hearing whether he read the L.A.  
22 Times article when it came out in 2013, he replied: "I'm sure I did." Shrewsberry admits  
23 that the transcript also reflects that Mr. Stumpf made the alleged statement concerning the  
24 increase in the number of reports as alleged in paragraph 169. Except as admitted,  
25 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
26 the allegations in paragraph 169, and on that basis denies them.

27 170. Shrewsberry admits that Wells Fargo's written responses to the Senate  
28 Banking Committee contain the information quoted and paraphrased in paragraph 170,

1 the content of which speaks for itself. Except as admitted, Shrewsberry lacks knowledge  
2 or information sufficient to form a belief about the truth of the allegations in paragraph  
3 170, and on that basis denies them.

4 171. Shrewsberry admits that the L.A. City Attorney filed a lawsuit on May 4,  
5 2015, that contained certain allegations regarding the opening unauthorized accounts.  
6 Shrewsberry lacks knowledge of information sufficient to form a belief about the truth of  
7 the allegations in the second sentence of paragraph 171, and therefore denies them.  
8 Except as stated, Shrewsberry denies the allegations in paragraph 171 to the extent  
9 alleged against him. Shrewsberry lacks knowledge or information sufficient to form a  
10 belief about the truth of the allegations concerning any Defendant other than himself, and  
11 on that basis denies those allegations.

12 172. Shrewsberry admits the written testimony to the U.S. Senate Committee on  
13 Banking, Housing and Urban Affairs by L.A. City Attorney Michael N. Feuer contains  
14 the statements quoted and paraphrased in paragraph 172. Except as admitted,  
15 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
16 the allegations in paragraph 172, and on that basis denies them

17 173. Shrewsberry admits that the complaint filed by the L.A. City Attorney  
18 contained a cause of action under California's Unfair Competition Law ("UCL")  
19 (Business and Professions Code § 17200, et seq. ) that sought (a) to enjoin Wells Fargo  
20 from engaging in unlawful, unfair, and fraudulent business acts and practices; and (b) an  
21 order to restore to all persons in interest any money or property Wells Fargo acquired as a  
22 result of these acts and practices. To the extent Plaintiffs attempt to describe the  
23 complaint, Shrewsberry responds that the contents of the complaint speak for themselves.  
24 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
25 belief about the truth of the allegations in paragraph 173, and on that basis denies them.

26 174. To the extent Plaintiffs attempt to describe the complaint filed by the L.A.  
27 City Attorney, Shrewsberry responds that the contents of the complaint speak for  
28 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient

1 to form a belief about the truth of the allegations in paragraph 174, and on that basis  
2 denies them.

3 175. To the extent Plaintiffs attempt to describe the complaint filed by the L.A.  
4 City Attorney, Shrewsberry responds that the contents speak for themselves. Except as  
5 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
6 the truth of the allegations in paragraph 175, and on that basis denies them.

7 176. To the extent Plaintiffs attempt to describe the complaint filed by the L.A.  
8 City Attorney, Shrewsberry responds that the contents speak for themselves. Except as  
9 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
10 the truth of the allegations in paragraph 176, and on that basis denies them.

11 177. Shrewsberry admits the written testimony to the U.S. Senate Committee on  
12 Banking, Housing and Urban Affairs by L.A. City Attorney Michael N. Feuer, contains  
13 the statements quoted in paragraph 177. Except as admitted, Shrewsberry lacks  
14 knowledge or information sufficient to form a belief about the truth of the allegations in  
15 paragraph 177, and on that basis denies them.

16 178. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations in paragraph 178, and on that basis denies them.

18 179. Shrewsberry admits that the Complaint filed in *Jabbari vs. Wells Fargo &*  
19 *Company and Wells Fargo Bank, N.A.*, No. 4:15-cv-02159-DMR (N.D. Cal.) (the  
20 “Jabbari Complaint”), contains the quoted statement regarding sales goals from an  
21 alleged “Confidential Informant.” To the extent Plaintiffs attempt to further describe the  
22 complaint, Shrewsberry responds that its contents speak for themselves. Except as  
23 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
24 the truth of the allegations in paragraph 179, and on that basis denies them.

25 180. To the extent Plaintiffs attempt to describe the Jabbari Complaint,  
26 Shrewsberry responds that the contents speak for themselves. Except as admitted,  
27 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
28 the allegations in paragraph 180, and on that basis denies them.

1           181. To the extent Plaintiffs attempt to describe the Jabbari Complaint,  
2 Shrewsberry responds that the contents speak for themselves. Except as admitted,  
3 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
4 the allegations in paragraph 181, and on that basis denies them.

5           182. To the extent Plaintiffs attempt to describe the Jabbari Complaint,  
6 Shrewsberry responds that the contents speak for themselves. Except as admitted,  
7 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
8 the allegations in paragraph 182, and on that basis denies them.

9           183. Shrewsberry understands that the OCC takes the position that its  
10 supervisory communications with Wells Fargo are privileged and confidential  
11 supervisory information (with the privilege owned and controlled by the OCC), and that  
12 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
13 allegations of paragraph 183 by stating that he lacks knowledge or information sufficient  
14 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
15 the Court to the referenced document for its content.

16           184. Shrewsberry admits that in his testimony before the Committee on  
17 Banking, Housing, and Urban Affairs of the United States Senate, on September 20,  
18 2016, Mr. Cordray, Chairman of the CFPB, made the statements paraphrased in  
19 paragraph 184. Except as admitted, Shrewsberry lacks knowledge or information  
20 sufficient to form a belief about the truth of the allegations in paragraph 184, and on that  
21 basis denies them.

22           185. Shrewsberry admits that paragraph 185 paraphrases the settlement with  
23 FINRA as described in its referenced news release. Except as admitted, Shrewsberry  
24 lacks knowledge or information sufficient to form a belief about the truth of the  
25 allegations in paragraph 185, and on that basis denies them.

26           186. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations in paragraph 186, and on that basis denies them.  
28

1           187. Shrewsberry admits that paragraph 187 quotes and paraphrases the current  
2 Audit and Examination Committee Charter. Except as admitted, Shrewsberry lacks  
3 knowledge or information sufficient to form a belief about the truth of the allegations in  
4 paragraph 187, and on that basis denies them.

5           188. Shrewsberry lacks knowledge or information sufficient to form a belief  
6 about the truth of the allegations in paragraph 188, and on that basis denies them.

7           189. Shrewsberry admits that the current Corporate Responsibility Committee  
8 charter describes one of its purposes as to “monitor the Company’s reputation generally,  
9 including with customers.” Except as admitted, Shrewsberry lacks knowledge or  
10 information sufficient to form a belief about the truth of the allegations in paragraph 189,  
11 and on that basis denies them.

12           190. Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations in paragraph 190, and on that basis denies them.

14           191. Shrewsberry admits that on or about May 4, 2015, the L.A. City Attorney  
15 filed a complaint against Wells Fargo, the content of which speaks for itself. Except as  
16 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
17 the truth of the allegations in paragraph 191, and on that basis denies them.

18           192. Shrewsberry denies the allegations in paragraph 192.

19           193. Shrewsberry admits that the transcript of the May 19, 2015, Barclays  
20 Americas Select Conference contains the statement quoted and attributed to him, without  
21 the added emphasis, the content of which speaks for itself. Except as admitted,  
22 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
23 the allegations in paragraph 193, and on that basis denies them.

24           194. Shrewsberry denies the allegations in paragraph 194.

25           195. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 195, and on that basis denies them.

27           196. Shrewsberry denies the allegations of paragraph 196 to the extent alleged  
28 against him. Shrewsberry lacks knowledge or information sufficient to form a belief

1 about the truth of the allegations concerning any defendant other than himself, and on  
2 that basis denies those allegations.

3 197. Shrewsberry admits that the article entitled “Wells Fargo Workers Claim  
4 Retaliation” published in the New York Times on September 16, 2016, contains the  
5 statements quoted and paraphrased in paragraph 197, attributed to Mr. Johnson. Except  
6 as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 197, and on that basis denies them.

8 198. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 198, and on that basis denies them.

10 199. Shrewsberry admits that the article entitled “I called the Wells Fargo ethics  
11 line and was fired” published in CNN Money on September 21, 2016, contained the  
12 statements quoted and paraphrased in paragraph 199, attributed to Mr. Baldo and others.  
13 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
14 belief about the truth of the allegations in paragraph 199, and on that basis denies them.

15 200. Shrewsberry admits that the transcript of the Senate Banking Committee  
16 hearing on September 20, 2016, reflects that Senator Menendez read the quoted language  
17 and that Mr. Stumpf responded as quoted. Except as admitted, Shrewsberry lacks  
18 knowledge or information sufficient to form a belief about the truth of the allegations in  
19 paragraph 200, and on that basis denies them.

20 201. Shrewsberry admits that the article entitled “At Wells Fargo, Complaints  
21 About Fraudulent Accounts Since 2005,” published in the New York Times on October  
22 11, 2016, contains the statements quoted and paraphrased in paragraph 201, attributed to  
23 Mr. Hansen. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
24 to form a belief about the truth of the allegations in paragraph 201, and on that basis  
25 denies them.

26 202. Shrewsberry admits that the article entitled “At Wells Fargo, Complaints  
27 About Fraudulent Accounts Since 2005,” published in the New York Times on October  
28 11, 2016, contains the statements quoted and paraphrased in paragraph 202, attributed to



1 Mr. Hansen. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
2 to form a belief about the truth of the allegations in paragraph 202, and on that basis  
3 denies them.

4 203. Shrewsberry admits that the article entitled “At Wells Fargo, Complaints  
5 About Fraudulent Accounts Since 2005,” published in the New York Times on October  
6 11, 2016, contains the statements quoted and paraphrased in paragraph 203, attributed to  
7 Mr. Hansen. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
8 to form a belief about the truth of the allegations in paragraph 203, and on that basis  
9 denies them.

10 204. Shrewsberry admits that the article entitled “Wells Fargo workers: Fake  
11 accounts began years ago,” published in CNN Money on September 26, 2016, contains  
12 the statements quoted and paraphrased in paragraph 204, attributed to Mr. Russo. Except  
13 as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief  
14 about the truth of the allegations in paragraph 204, and on that basis denies them.

15 205. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 205, and on that basis denies them.

17 206. Shrewsberry lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in paragraph 206, and on that basis denies them.

19 207. Shrewsberry lacks knowledge or information sufficient to form a belief  
20 about the truth of the allegations in paragraph 207, and on that basis denies them.

21 208. Shrewsberry denies the allegations of paragraph 208 to the extent alleged  
22 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations concerning any Defendant other than himself, and on  
24 that basis denies those allegations.

25 209. Shrewsberry admits that the transcript of the hearing before the House  
26 Financial Services Committee on September 20, 2016 contains the statement quoted in  
27 paragraph 209 by Mr. Stumpf, and that Wells Fargo’s response to the Senate Banking  
28 Committee contains the statement paraphrased in paragraph 209, the content of which

1 speaks for itself.. Except as admitted, Shrewsberry lacks knowledge or information  
2 sufficient to form a belief about the truth of the allegations in paragraph 209, and on that  
3 basis denies them.

4 210. Shrewsberry admits that the written response to the Senate Banking  
5 Committee contains the statements quoted and paraphrased in paragraph 210, the  
6 contents of which speak for themselves. Except as admitted, Shrewsberry lacks  
7 knowledge or information sufficient to form a belief about the truth of the allegations in  
8 paragraph 210, and on that basis denies them.

9 211. Shrewsberry admits that a document found at:  
10 <https://www.documentcloud.org/documents/3143757-Wells-Fargo-Stumpf-Letter.html>  
11 purports to be a 2007 letter to Mr. Stumpf that contains the language quoted and  
12 paraphrased in paragraph 211. Except as admitted, Shrewsberry lacks knowledge or  
13 information sufficient to form a belief about the truth of the allegations in paragraph 211,  
14 and on that basis denies them.

15 212. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 212, and on that basis denies them.

17 213. Shrewsberry admits that the Amended Complaint in *Finstad et al. v. Wells*  
18 *Fargo Bank, N.A.*, No. 6:09-cv-00046-CCL (D. Mont.) contains allegations of wrongful  
19 termination, the content of which speaks for itself. Except as admitted, Shrewsberry  
20 lacks knowledge or information sufficient to form a belief about the truth of the  
21 allegations in paragraph 213, and on that basis denies them.

22 214. Shrewsberry admits that the Court issued an Order Granting In Part And  
23 Denying In Part Motion For Summary Judgment in *Guitron v. Wells Fargo Bank, N.A.*,  
24 No. C 10-3461 CW, 2012 U.S. Dist. LEXIS 93883 (N.D. Cal. July 6, 2012), in the action  
25 filed by Plaintiffs Yesenia Guitron and Judi Klosek, the content of which speaks for  
26 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
27 form a belief about the truth of the allegations in paragraph 214, and on that basis denies  
28 those allegations.

1           215. Shrewsberry admits that the Court issued an Order Granting In Part And  
2 Denying In Part Motion For Summary Judgment in *Guitron v. Wells Fargo Bank, N.A.*,  
3 No. C 10-3461 CW, 2012 U.S. Dist. LEXIS 93883 (N.D. Cal. July 6, 2012), the contents  
4 of which are quoted in paragraph 215. Except as admitted, Shrewsberry lacks knowledge  
5 or information sufficient to form a belief about the truth of the allegations in paragraph  
6 215, and on that basis denies those allegations.

7           216. Shrewsberry admits that the article entitled “Wells Fargo Workers Claim  
8 Retaliation” published in the New York Times on September 16, 2016, contains the  
9 statements paraphrased in paragraph 216, attributed to Ms. Guitron. Except as admitted,  
10 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
11 the allegations in paragraph 216, and on that basis denies those allegations.

12           217. Shrewsberry admits that the complaint filed in *The City of Birmingham*  
13 *Retirement and Relief System v. Loughlin et al*, 3:16-cv-05592-JST, attaches what  
14 purports to be the Complaint in *Govan v. Wells Fargo & Co.*, No. 2012-CP-07-03709  
15 (Ct. Common Pleas Beaufort Cnty.) that reflects that certain former employees sued  
16 Wells Fargo. The contents of these documents speak for themselves. Except as  
17 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
18 the truth of the allegations in paragraph 217, and on that basis denies those allegations.

19           218. Shrewsberry admits that a former Wells Fargo employee filed a complaint  
20 in *Zarandian v. Wells Fargo Bank, N.A.*, No. CVI 524564 (Cal. Super. Ct. San Mateo  
21 Cnty.), and that the content of that document speaks for itself. Except as admitted,  
22 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
23 the allegations in paragraph 218 and on that basis denies those allegations.

24           219. Shrewsberry denies the allegations of paragraph 219 to the extent alleged  
25 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations concerning any Defendant other than himself, and on  
27 that basis denies those allegations.

1           220. Shrewsberry understands that the OCC takes the position that its  
2 supervisory communications with Wells Fargo are privileged and confidential  
3 supervisory information (with the privilege owned and controlled by the OCC), and that  
4 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
5 allegations of paragraph 220 by stating that he lacks knowledge or information sufficient  
6 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
7 the Court to the referenced document for its content.

8           221. Shrewsberry understands that the OCC takes the position that its  
9 supervisory communications with Wells Fargo are privileged and confidential  
10 supervisory information (with the privilege owned and controlled by the OCC), and that  
11 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
12 allegations of paragraph 221 by stating that he lacks knowledge or information sufficient  
13 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
14 the Court to the referenced document for its content.

15           222. Shrewsberry understands that the OCC takes the position that its  
16 supervisory communications with Wells Fargo are privileged and confidential  
17 supervisory information (with the privilege owned and controlled by the OCC), and that  
18 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
19 allegations of paragraph 222 by stating that he lacks knowledge or information sufficient  
20 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
21 the Court to the referenced document for its content.

22           223. Shrewsberry understands that the OCC takes the position that its  
23 supervisory communications with Wells Fargo are privileged and confidential  
24 supervisory information (with the privilege owned and controlled by the OCC), and that  
25 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
26 allegations of paragraph 223 by stating that he lacks knowledge or information sufficient  
27 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
28 the Court to the referenced document for its content.

1           224. Shrewsberry understands that the OCC takes the position that its  
2 supervisory communications with Wells Fargo are privileged and confidential  
3 supervisory information (with the privilege owned and controlled by the OCC), and that  
4 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
5 allegations of paragraph 224 by stating that he lacks knowledge or information sufficient  
6 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
7 the Court to the referenced document for its content.

8           225. Shrewsberry understands that the OCC takes the position that its  
9 supervisory communications with Wells Fargo are privileged and confidential  
10 supervisory information (with the privilege owned and controlled by the OCC), and that  
11 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
12 allegations of paragraph 225 by stating that he lacks knowledge or information sufficient  
13 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
14 the Court to the referenced document for its content.

15           226. Shrewsberry understands that the OCC takes the position that its  
16 supervisory communications with Wells Fargo are privileged and confidential  
17 supervisory information (with the privilege owned and controlled by the OCC), and that  
18 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
19 allegations of paragraph 226 by stating that he lacks knowledge or information sufficient  
20 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
21 the Court to the referenced document for its content.

22           227. Shrewsberry understands that the OCC takes the position that its  
23 supervisory communications with Wells Fargo are privileged and confidential  
24 supervisory information (with the privilege owned and controlled by the OCC), and that  
25 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
26 allegations of paragraph 227 by stating that he lacks knowledge or information sufficient  
27 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
28 the Court to the referenced document for its content.

1           228. Shrewsberry understands that the OCC takes the position that its  
2 supervisory communications with Wells Fargo are privileged and confidential  
3 supervisory information (with the privilege owned and controlled by the OCC), and that  
4 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
5 allegations of paragraph 228 by stating that he lacks knowledge or information sufficient  
6 to form a belief as to the truth of the allegations, and on that basis deny them and refers  
7 the Court to the referenced document for its content.

8           229. Shrewsberry understands that the OCC takes the position that its  
9 supervisory communications with Wells Fargo are privileged and confidential  
10 supervisory information (with the privilege owned and controlled by the OCC), and that  
11 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
12 allegations of paragraph 229 by stating that he lacks knowledge or information sufficient  
13 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
14 the Court to the referenced document for its content.

15           230. Shrewsberry understands that the OCC takes the position that its  
16 supervisory communications with Wells Fargo are privileged and confidential  
17 supervisory information (with the privilege owned and controlled by the OCC), and that  
18 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
19 allegations of paragraph 230 by stating that he lacks knowledge or information sufficient  
20 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
21 the Court to the referenced document for its content.

22           231. Shrewsberry understands that the OCC takes the position that its  
23 supervisory communications with Wells Fargo are privileged and confidential  
24 supervisory information (with the privilege owned and controlled by the OCC), and that  
25 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
26 allegations of paragraph 231 by stating that he lacks knowledge or information sufficient  
27 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
28 the Court to the referenced document for its content.

1           232. Shrewsberry understands that the OCC takes the position that its  
2 supervisory communications with Wells Fargo are privileged and confidential  
3 supervisory information (with the privilege owned and controlled by the OCC), and that  
4 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
5 allegations of paragraph 232 by stating that he lacks knowledge or information sufficient  
6 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
7 the Court to the referenced document for its content.

8           233. Shrewsberry understands that the OCC takes the position that its  
9 supervisory communications with Wells Fargo are privileged and confidential  
10 supervisory information (with the privilege owned and controlled by the OCC), and that  
11 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
12 allegations of paragraph 233 by stating that he lacks knowledge or information sufficient  
13 to form a belief as to the truth of the allegations and on that basis denies them and refers  
14 the Court to the referenced document for its content.

15           234. Shrewsberry understands that the OCC takes the position that its  
16 supervisory communications with Wells Fargo are privileged and confidential  
17 supervisory information (with the privilege owned and controlled by the OCC), and that  
18 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
19 allegations of paragraph 234 by stating that he lacks knowledge or information sufficient  
20 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
21 the Court to the referenced document for its content.

22           235. Shrewsberry understands that the OCC takes the position that its  
23 supervisory communications with Wells Fargo are privileged and confidential  
24 supervisory information (with the privilege owned and controlled by the OCC), and that  
25 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
26 allegations of paragraph 235 by stating that he lacks knowledge or information sufficient  
27 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
28 the Court to the referenced document for its content.



1           236. Shrewsberry admits that on September 6, 2016, Wells Fargo entered a  
2 Consent Order with the OCC, No. 2016-079, under which Wells Fargo agreed to pay a  
3 civil monetary penalty of \$35 million. Shrewsberry understand that the OCC takes the  
4 position that its supervisory communications with Wells Fargo are privileged and  
5 confidential supervisory information (with the privilege owned and controlled by the  
6 OCC), and that no response is permitted or appropriate. Accordingly, Shrewsberry  
7 responds to the remaining allegations of paragraph 236 by stating that he lacks  
8 knowledge or information sufficient to form a belief as to the truth of the allegations, and  
9 on that basis denies them and refers the Court to the referenced document for its content.

10           237. Shrewsberry admits that on or about November 18, 2016, the OCC issued a  
11 press release titled “Statement Regarding Revocation of Relief to Wells Fargo Bank,  
12 N.A., from Certain Regulatory Consequences of Enforcement Actions,” the content of  
13 which speaks for itself. Shrewsberry understands that the OCC takes the position that its  
14 supervisory communications with Wells Fargo are privileged and confidential  
15 supervisory information (with the privilege owned and controlled by the OCC), and that  
16 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
17 remaining allegations of paragraph 237 by stating that he lacks knowledge or information  
18 sufficient to form a belief as to the truth of the allegations, and on that basis denies them  
19 and refers the Court to the referenced document for its content.

20           238. Shrewsberry denies the allegations of paragraph 238 to the extent alleged  
21 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
22 about the truth of the allegations concerning any Defendant other than himself, and on  
23 that basis denies those allegations.

24           239. Shrewsberry denies the allegations of paragraph 239.

25           240. Shrewsberry admits that from 2012 through 2016, the Annual Proxy  
26 Statements included a stockholder proposal to adopt a policy to require an independent  
27 director and certain Board recommendations, the contents of which speak for themselves.  
28

1 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
2 belief about the truth of the allegations in paragraph 240, and on that basis denies them.

3 241. Shrewsberry admits that the supporting statement accompanying the  
4 Stockholder Proposal to Adopt a Policy to Require an Independent Chairman in the 2016  
5 Proxy Statement contains the statements paraphrased and quoted in paragraph 241.

6 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
7 belief about the truth of the allegations in paragraph 241 and on that basis denies those  
8 allegations.

9 242. Shrewsberry admits that the supporting statement accompanying the  
10 Stockholder Proposal to Adopt a Policy to Require an Independent Chairman in the 2016  
11 Proxy Statement contains the statements paraphrased and quoted in paragraph 242.

12 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
13 belief about the truth of the allegations in paragraph 242, and on that basis denies those  
14 allegations.

15 243. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 243, and on that basis denies those  
17 allegations.

18 244. Shrewsberry admits that a letter available at:  
19 [https://www.menendez.senate.gov/imo/media/doc/Letter-to-Wells-Fargo-CEO-re-](https://www.menendez.senate.gov/imo/media/doc/Letter-to-Wells-Fargo-CEO-re-Advanced-Notice-2017-02-01.pdf)  
20 [Advanced-Notice-2017-02-01.pdf](https://www.menendez.senate.gov/imo/media/doc/Letter-to-Wells-Fargo-CEO-re-Advanced-Notice-2017-02-01.pdf), states that “the bank's ‘Branch Control Review’ still  
21 provided 24-hour notice to branch managers of internal reviews.” Shrewsberry also  
22 admits that the Wall Street Journal published an article on January 24, 2017, entitled “At  
23 Wells Fargo, Bank Branches Were Tipped Off to Inspections.”. Except as admitted,  
24 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
25 the allegations in paragraph 244, and on that basis denies those allegations.

26 245. Shrewsberry admits that the letter referenced above in response to  
27 paragraph 244 contains the statement quoted in paragraph 245. Except as admitted,  
28

1 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
2 the allegations in paragraph 245, and on that basis denies those allegations.

3 246. Shrewsberry admits that the CFPB Consent Order, 2016-CFPB-0015,  
4 references the termination of employees. Except as admitted, Shrewsberry denies the  
5 allegations of paragraph 246 to the extent alleged against him. Shrewsberry lacks  
6 knowledge or information sufficient to form a belief about the truth of the allegations  
7 concerning any Defendant other than himself, and on that basis denies those allegations.

8 247. Shrewsberry admits that paragraph 247 paraphrases testimony before the  
9 House Financial Services Committee on September 29, 2016. Shrewsberry further  
10 admits that paragraph 247 quotes Senator Sherrod Brown's statements at a Senate  
11 Committee on Banking, Housing, and Urban Affairs hearing held on September 20, 2016.  
12 Except as admitted, Shrewsberry denies the allegations of paragraph 247 to the extent  
13 alleged against him. Further, Shrewsberry lacks knowledge or information sufficient to  
14 form a belief about the truth of the allegations concerning any Defendant other than  
15 himself, and on that basis denies those allegations.

16 248. Shrewsberry admits that Senators Warren, Menendez, and Wyden wrote a  
17 letter to Mr. Sloan dated November 3, 2016, which can be found at  
18 [https://www.warren.senate.gov/files/documents/2016-11-](https://www.warren.senate.gov/files/documents/2016-11-03_Wells_Fargo_FINRA_Violations_Letter_Final.pdf)  
19 [03\\_Wells\\_Fargo\\_FINRA\\_Violations\\_Letter\\_Final.pdf](https://www.warren.senate.gov/files/documents/2016-11-03_Wells_Fargo_FINRA_Violations_Letter_Final.pdf), the content of which speaks for  
20 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
21 form a belief about the truth of the allegations in paragraph 248, and on that basis denies  
22 those allegations.

23 249. Shrewsberry admits that the November 3, 2016 letter to Mr. Sloan contains the  
24 statements quoted and paraphrased in paragraph 249. Except as admitted, Shrewsberry  
25 lacks knowledge or information sufficient to form a belief about the truth of the  
26 allegations in paragraph 249, and on that basis denies those allegations.

27 250. Shrewsberry admits that the November 3, 2016 letter to Mr. Sloan contains  
28 the statements quoted and paraphrased in paragraph 250. Except as admitted,

1 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
2 the allegations in paragraph 250 and on that basis denies those allegations.

3 251. Shrewsberry admits that the November 3, 2016 letter to Mr. Sloan contains  
4 the statements quoted and paraphrased in paragraph 251. Except as admitted,  
5 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
6 the allegations in paragraph 251 and on that basis denies those allegations.

7 252. Shrewsberry admits that the November 3, 2016 letter to Mr. Sloan contains  
8 the statements paraphrased in paragraph 252. Except as admitted, Shrewsberry lacks  
9 knowledge or information sufficient to form a belief about the truth of the allegations in  
10 paragraph 252, and on that basis denies those allegations.

11 253. Shrewsberry admits that in the latter half of 2015, Wells Fargo engaged  
12 PriceWaterhouseCoopers (“PwC”) to conduct data analysis. Shrewsberry denies the  
13 remaining allegations of paragraph 253 to the extent alleged against him. Shrewsberry  
14 lacks knowledge or information sufficient to form a belief about the truth of the  
15 allegations concerning any Defendant other than himself, and on that basis denies those  
16 allegations.

17 254. Shrewsberry admits that the first sentence of paragraph 254 accurately  
18 quotes and paraphrases the transcript of the testimony of Mr. Stumpf before the Senate  
19 Banking Committee on September 20, 2016. Shrewsberry further admits that in the latter  
20 half of 2015, Wells Fargo engaged PwC to conduct a large-scale data analysis. Except as  
21 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
22 the truth of the allegations in paragraph 254 and on that basis denies those allegations.

23 255. Shrewsberry admits that paragraph 255 accurately quotes and paraphrases  
24 the transcript of the testimony of Mr. Stumpf before the Senate Banking Committee on  
25 September 20, 2016. Shrewsberry further admits and that in the latter half of 2015, Wells  
26 Fargo engaged PwC to conduct a large-scale data analysis. Except as admitted,  
27 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
28 the allegations in paragraph 255, and on that basis denies those allegations.

1           256. Shrewsberry denies the allegations of paragraph 256 to the extent alleged  
2 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
3 about the truth of the allegations concerning any Defendant other than himself, and on  
4 that basis denies those allegations.

5           257. Shrewsberry admits Wells Fargo has remediated customers and that certain  
6 aspects of the PwC findings were publicized in September 2016. Except as admitted,  
7 Shrewsberry denies the allegations of paragraph 257 to the extent alleged against him.  
8 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
9 the allegations concerning any Defendant other than himself, and on that basis denies  
10 those allegations.

11           258. Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
12 Senate Banking Committee contains the statements quoted in paragraph 258. Except as  
13 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
14 the truth of the allegations in paragraph 258, and on that basis denies those allegations.

15           259. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 259, and on that basis denies those  
17 allegations.

18           260. Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
19 House Financial Services Committee contains the statements quoted in paragraph 260.  
20 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
21 belief about the truth of the allegations in paragraph 260, and on that basis denies those  
22 allegations.

23           261. Shrewsberry admits that Wells Fargo's written response to the Senate  
24 Banking Committee contains the statements paraphrased and quoted in paragraph 261.  
25 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
26 belief about the truth of the allegations in paragraph 261, and on that basis denies those  
27 allegations.

1           262. Shrewsberry admits that the transcript of Mr. Stumpf's testimony before the  
2 House Financial Services Committee contains the statements quoted in paragraph 262.  
3 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
4 belief about the truth of the allegations in paragraph 262, and on that basis denies those  
5 allegations.

6           263. Shrewsberry denies the allegations of paragraph 263 to the extent alleged  
7 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
8 about the truth of the allegations concerning any Defendant other than himself, and on  
9 that basis denies those allegations.

10           264. Shrewsberry admits that the 2016 Wells Fargo Annual Proxy Statement  
11 contains the language quoted in paragraph 264, except for the alterations in brackets and  
12 the added emphasis, the content of which speaks for itself. Except as admitted,  
13 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
14 the allegations in paragraph 264, and on that basis denies those allegations.

15           265. Shrewsberry admits that the 2016 Wells Fargo Annual Proxy Statement  
16 contains the language quoted and paraphrased in paragraph 265, except for the alterations  
17 in brackets, the content of which speaks for itself. Except as admitted, Shrewsberry lacks  
18 knowledge or information sufficient to form a belief about the truth of the allegations in  
19 paragraph 265, and on that basis denies those allegations.

20           266. Shrewsberry admits that the first sentence of paragraph 266 accurately  
21 quotes and paraphrases the 2016 Wells Fargo Annual Proxy Statement, the content of  
22 which speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
23 sufficient to form a belief about the truth of the allegations in paragraph 266, and on that  
24 basis denies those allegations.

25           267. Shrewsberry admits that paragraph 267 accurately quotes the 2016 Wells  
26 Fargo Annual Proxy Statement, the content of which speaks for itself. Except as  
27 admitted, Shrewsberry denies the remaining allegations of paragraph 267 to the extent  
28 alleged against him. Shrewsberry lacks knowledge or information sufficient to form a

1 belief about the truth of the remaining allegations concerning any Defendant other than  
2 himself, and on that basis denies those allegations.

3 268. Shrewsberry admits that paragraph 268 accurately quotes the 2014 Wells  
4 Fargo Annual Proxy Statement, the content of which speaks for itself. Except as  
5 admitted, Shrewsberry denies the allegations of paragraph 268 to the extent alleged  
6 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the remaining allegations concerning any Defendant other than himself,  
8 and on that basis denies those allegations.

9 269. Shrewsberry admits that paragraph 269 accurately quotes and paraphrases  
10 the 2015 Wells Fargo Proxy Statement, the content of which speaks for itself. Except as  
11 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
12 the truth of the allegations in paragraph 269, and on that basis denies those allegations

13 270. Shrewsberry admits that paragraph 270 accurately quotes and paraphrases  
14 the 2016 Wells Fargo Proxy Statement, the content of which speaks for itself. Except as  
15 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
16 the truth of the allegations in paragraph 270, and on that basis denies those allegations.

17 271. Paragraph 271 contains conclusions of law to which no response is  
18 required. To the extent paragraph 271 contains factual allegations, which require a  
19 response, Shrewsberry denies the allegations of paragraph 270 to the extent alleged  
20 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations concerning any Defendant other than himself, and on  
22 that basis denies those allegations.

23 **VII. THE DIRECTOR DEFENDANTS VIOLATED SECTION 14(A) AND**  
24 **RULE 14A-9 AND BREACHED THEIR FIDUCIARY DUTIES BY**  
25 **CAUSING THE COMPANY TO FILE MATERIALLY MISLEADING**  
**PROXY STATEMENTS**

26 272. Paragraph 272 contains conclusions of law to which no response is  
27 required. To the extent paragraph 272 contains factual allegations, which require a  
28



1 response, Shrewsberry lacks knowledge or information sufficient to form a belief about  
2 the truth of the allegations in paragraph 272, and on that basis denies those allegations.

3 273. Paragraph 273 contains conclusions of law to which no response is  
4 required. To the extent paragraph 273 purports to describe the 2014 Wells Fargo Proxy  
5 Statement, Shrewsberry responds that the contents of that document speak for itself.  
6 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
7 belief about the truth of the allegations in paragraph 273.

8 274. Shrewsberry admits that paragraph 274 accurately quotes the 2014 Wells  
9 Fargo Proxy Statement, except for the added emphasis, the contents of which speaks for  
10 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
11 form a belief about the truth of the allegations in paragraph 274, and on that basis denies  
12 those allegations.

13 275. Shrewsberry admits that paragraph 275 accurately quotes the 2014 Wells  
14 Fargo Proxy Statement, except for the added emphasis, the content of which speaks for  
15 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
16 form a belief about the truth of the allegations in paragraph 275, and on that basis denies  
17 those allegations

18 276. Shrewsberry admits that paragraph 276 accurately quotes the 2014 Wells  
19 Fargo Proxy Statement, except for the added emphasis, the content of which speaks for  
20 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
21 form a belief about the truth of the allegations in paragraph 276, and on that basis denies  
22 those allegations.

23 277. Shrewsberry admits that paragraph 277 accurately quotes the 2014 Wells  
24 Fargo Proxy Statement, the content of which speaks for itself. Shrewsberry lacks  
25 knowledge or information sufficient to form a belief about the truth of the remaining  
26 allegations in paragraph 277, and on that basis denies those allegations.

27 278. To the extent paragraph 278 purports to paraphrase the 2014 Proxy  
28 statement, Shrewsberry responds that the document speaks for itself. Shrewsberry denies

1 the allegations of paragraph 278 to the extent alleged against him. Shrewsberry lacks  
2 knowledge or information sufficient to form a belief about the truth of the allegations  
3 concerning any Defendant other than himself, and on that basis denies those allegations.

4 279. Shrewsberry denies the allegations of paragraph 279 to the extent alleged  
5 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
6 about the truth of the allegations concerning any Defendant other than himself, and on  
7 that basis denies those allegations.

8 280. Shrewsberry admits that the 2014 Wells Fargo Proxy Statement contains  
9 the language quoted in paragraph 280, except for the added emphasis, the content of  
10 which speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
11 sufficient to form a belief about the truth of the allegations in paragraph 280, and on that  
12 basis denies those allegations.

13 281. Shrewsberry denies the allegations of paragraph 281 to the extent alleged  
14 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations concerning any Defendant other than himself, and on  
16 that basis denies those allegations.

17 282. Shrewsberry denies the allegations of paragraph 282 to the extent alleged  
18 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations concerning any Defendant other than himself, and on  
20 that basis denies those allegations.

21 283. Shrewsberry admits that the 2014 Proxy Statement contains the statements  
22 quoted in paragraph 283, except for the added emphasis, the contents of which speak for  
23 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
24 to form a belief about the truth of the allegations in paragraph 283, and on that basis  
25 denies those allegations.

26 284. Shrewsberry admits that the 2014 Proxy Statement contains the statements  
27 quoted in the first sentence of paragraph 284, the contents of which speak for themselves.  
28 Except as admitted, Shrewsberry denies the allegations of paragraph 284 to the extent

1 alleged against him. Shrewsberry lacks knowledge or information sufficient to form a  
2 belief about the truth of the allegations concerning any Defendant other than himself, and  
3 on that basis denies those allegations.

4 285. Paragraph 285 contains conclusions of law to which no response is  
5 required. To the extent paragraph 286 contains factual allegations, which require a  
6 response, Shrewsberry denies the allegations of paragraph 285 to the extent alleged  
7 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
8 about the truth of the allegations concerning any Defendant other than himself, and on  
9 that basis denies those allegations.

10 286. Paragraph 286 contains conclusions of law to which no response is  
11 required. To the extent paragraph 286 contains factual allegations, which require a  
12 response, Shrewsberry admits that Wells Fargo filed the 2015 Proxy statement on March  
13 17, 2015, the contents of which speak for itself. Except as admitted, Shrewsberry lacks  
14 knowledge or information sufficient to form a belief about the truth of the allegations in  
15 paragraph 286, and on that basis denies those allegations.

16 287. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement contains  
17 the statements quoted in paragraph 287, except for the added emphasis, the contents of  
18 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
19 information sufficient to form a belief about the truth of the allegations in paragraph 287,  
20 and on that basis denies those allegations.

21 288. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement contains  
22 the statements quoted in paragraph 288, except for the added emphasis, the contents of  
23 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
24 information sufficient to form a belief about the truth of the allegations in paragraph 288,  
25 and on that basis denies those allegations

26 289. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement contains  
27 the statements quoted in paragraph 289, the contents of which speak for themselves.  
28 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a

1 belief about the truth of the allegations in paragraph 289, and on that basis denies those  
2 allegations

3 290. To the extent paragraph 290 purports to paraphrase the 2015 Proxy  
4 Statement, Shrewsberry responds that the document speaks for itself. Shrewsberry denies  
5 the allegations of paragraph 290 to the extent alleged against him. Shrewsberry lacks  
6 knowledge or information sufficient to form a belief about the truth of the allegations  
7 concerning any Defendant other than himself, and on that basis denies those allegations.

8 291. Shrewsberry denies the allegations of paragraph 291 to the extent alleged  
9 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
10 about the truth of the allegations concerning any Defendant other than himself, and on  
11 that basis denies those allegations.

12 292. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement contains  
13 the language quoted in paragraph 292, except the proxy does not contain the added  
14 emphasis, the contents of which speak for itself. Except as admitted, Shrewsberry lacks  
15 knowledge or information sufficient to form a belief about the truth of the allegations in  
16 paragraph 292, and on that basis denies those allegations.

17 293. Shrewsberry denies the allegations of paragraph 293 to the extent alleged  
18 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations concerning any Defendant other than himself, and on  
20 that basis denies those allegations.

21 294. Shrewsberry denies the allegations of paragraph 294 to the extent alleged  
22 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations concerning any Defendant other than himself, and on  
24 that basis denies those allegations.

25 295. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement contains  
26 the language quoted in paragraph 292, except the proxy does not contain the added  
27 emphasis. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
28

1 form a belief about the truth of the allegations in paragraph 295, and on that basis denies  
2 those allegations.

3 296. Shrewsberry denies the allegations of paragraph 293 to the extent alleged  
4 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
5 about the truth of the allegations concerning any Defendant other than himself, and on  
6 that basis denies those allegations.

7 297. Paragraph 297 contains conclusions of law to which no response is  
8 required. To the extent paragraph 297 contains factual allegations, which require a  
9 response, Shrewsberry denies the allegations of paragraph 297 to the extent alleged  
10 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
11 about the truth of the remaining allegations and those allegations concerning any  
12 Defendant other than himself, and on that basis denies those allegations.

13 298. Shrewsberry admits that on March 16, 2016, Wells Fargo issued the 2016  
14 Proxy Statement. Except as admitted, Shrewsberry lacks knowledge or information  
15 sufficient to form a belief about the truth of the allegations in paragraph 298, and on that  
16 basis denies those allegations

17 299. Shrewsberry admits that the 2016 Wells Fargo Proxy Statement contains  
18 the language quoted in paragraph 299, except for the added emphasis, the contents of  
19 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
20 information sufficient to form a belief about the truth of the allegations in paragraph 299,  
21 and on that basis denies those allegations.

22 300. Shrewsberry admits that the 2016 Wells Fargo Proxy Statement contains  
23 the language quoted in paragraph 300, except for the added emphasis, the contents of  
24 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
25 information sufficient to form a belief about the truth of the allegations in paragraph 300,  
26 and on that basis denies those allegations.

27 301. Shrewsberry denies the allegations of paragraph 301 to the extent alleged  
28 against him. Shrewsberry lacks knowledge or information sufficient to form a belief

1 about the truth of the allegations concerning any Defendant other than himself, and on  
2 that basis denies those allegations.

3 302. To the extent paragraph 302 attempts to paraphrase the 2016 Wells Fargo  
4 Proxy Statement, Shrewsberry responds that the contents of that document speak for  
5 themselves. Shrewsberry denies the allegations of paragraph 302 to the extent alleged  
6 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations concerning any Defendant other than himself, and on  
8 that basis denies those allegations.

9 303. To the extent paragraph 302 attempts to describe the 2016 Wells Fargo  
10 Proxy Statement, Shrewsberry responds that the contents of that document speak for  
11 themselves. Shrewsberry denies the allegations of paragraph 303 to the extent alleged  
12 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations concerning any Defendant other than himself, and on  
14 that basis denies those allegations.

15 304. Paragraph 304 contains conclusions of law to which no response is  
16 required. To the extent paragraph 304 contains factual allegations that require a  
17 response, Shrewsberry denies the allegations of paragraph 304 to the extent alleged  
18 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations concerning any Defendant other than himself, and on  
20 that basis denies those allegations.

21 305. Paragraph 305 contains conclusions of law to which no response is  
22 required. To the extent paragraph 305 contains factual allegations that require a  
23 response, Shrewsberry denies the allegations of paragraph 305 to the extent alleged  
24 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the allegations concerning any Defendant other than himself, and on  
26 that basis denies those allegations.

27 306. Shrewsberry admits that the 2016 Proxy Statement contains the statements  
28 quoted in paragraph 306, except for the added emphasis, the contents of which speak for

1 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
2 to form a belief about the truth of the allegations in paragraph 306.

3 307. Shrewsberry denies the allegations of paragraph 307 to the extent alleged  
4 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
5 about the truth of the allegations concerning any Defendant other than himself, and on  
6 that basis denies those allegations.

7 308. Shrewsberry denies the allegations of paragraph 308 to the extent alleged  
8 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations concerning any Defendant other than himself, and on  
10 that basis denies those allegations.

11 309. Shrewsberry admits that the 2016 Wells Fargo Proxy Statement contains  
12 the statements quoted in paragraph 309, except for the added emphasis, the contents of  
13 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
14 information sufficient to form a belief about the truth of the allegations in paragraph 309.

15 310. Paragraph 310 contains conclusions of law to which no response is  
16 required. To the extent paragraph 310 contains factual allegations that require a  
17 response, Shrewsberry denies the allegations of paragraph 310 to the extent alleged  
18 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations concerning any Defendant other than himself, and on  
20 that basis denies those allegations.

21 311. Paragraph 311 contains conclusions of law to which no response is  
22 required. To the extent paragraph 311 contains factual allegations that require a  
23 response, Shrewsberry denies the allegations of paragraph 311 to the extent alleged  
24 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the allegations concerning any Defendant other than himself, and on  
26 that basis denies those allegations.



**VIII. DEFENDANTS VIOLATED SECTION (10)B AND RULE 10B-5 AND BREACHED THEIR FIDUCIARY DUTIES BY ISSUING MATERIALLY FALSE AND MISLEADING STATEMENTS**

312. Paragraph 312 contains conclusions of law to which no response is required. To the extent paragraph 312 contains factual allegations that require a response, Shrewsberry denies the allegations of paragraph 312 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

313. Paragraph 313 contains conclusions of law to which no response is required. To the extent paragraph 313 contains factual allegations that require a response, Shrewsberry denies the allegations of paragraph 313 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

314. Shrewsberry admits that Wells Fargo's Board periodically has authorized the company to repurchase its own shares of stock. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 314, and on that basis denies those allegations.

315. Shrewsberry admits that Wells Fargo's Board periodically has authorized the company to repurchase its own shares of stock. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 315, and on that basis denies them.

316. Shrewsberry admits that Wells Fargo's Board periodically has authorized the company to repurchase its own shares of stock. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 316, and on that basis denies them.

317. Shrewsberry denies the allegations of paragraph 317 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief

1 about the truth of the allegations concerning any Defendant other than himself, and on  
2 that basis denies those allegations.

3 318. Shrewsberry lacks knowledge or information sufficient to form a belief  
4 about the truth of the allegations in paragraph 318, and on that basis denies those  
5 allegations.

6 319. Shrewsberry admits that Wells Fargo issued a proxy statement in 2016, the  
7 content of which speaks for itself. Except as admitted, Shrewsberry denies the  
8 allegations of paragraph 319 to the extent alleged against him. Shrewsberry lacks  
9 knowledge or information sufficient to form a belief about the truth of the allegations  
10 concerning any Defendant other than himself, and on that basis denies those allegations.

11 320. Paragraph 320 contains conclusions of law to which no response is  
12 required. To the extent paragraph 320 contains factual allegations that require a  
13 response, Shrewsberry denies the allegations of paragraph 320 to the extent alleged  
14 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations concerning any Defendant other than himself, and on  
16 that basis denies those allegations.

17 321. Shrewsberry denies the allegations of paragraph 321 to the extent alleged  
18 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations concerning any Defendant other than himself, and on  
20 that basis denies those allegations.

21 322. Shrewsberry admits that the September 28, 2016, letter from Senators  
22 Warren, Merkley, and Menendez to the SEC, available at  
23 [https://www.warren.senate.gov/files/documents/2016-9-](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf)  
24 [28 Letter to SEC RE Wells Investigation.pdf](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf), requests that the SEC: “investigate  
25 whether Wells Fargo and its senior executives - including Chairman of the Board and  
26 CEO John Stumpf – violated federal securities laws.” Except as admitted, Shrewsberry  
27 lacks knowledge or information sufficient to form a belief about the truth of the  
28 allegations in paragraph 322, and on that basis denies those allegations.

1           323. Shrewsberry admits that the September 28, 2016, letter from Senators  
2 Warren, Merkley, and Menendez to the SEC,, contains the language quoted in paragraph  
3 323. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form  
4 a belief about the truth of the allegations in paragraph 323, and on that basis denies those  
5 allegations.

6           324. Shrewsberry admits that the September 28, 2016, letter from Senators  
7 Warren, Merkley, and Menendez to the SEC, contains the language quoted in paragraph  
8 324. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form  
9 a belief about the truth of the allegations in paragraph 324, and on that basis denies those  
10 allegations.

11           325. Shrewsberry admits that the September 28, 2016, letter, from Senators  
12 Warren, Merkley, and Menendez to the SEC, contains the language quoted in paragraph  
13 325. Except as admitted, Shrewsberry lacks knowledge or information sufficient to form  
14 a belief about the truth of the allegations in paragraph 325, and on that basis denies those  
15 allegations.

16           326. Shrewsberry admits that the September 28, 2016, letter, from Senators  
17 Warren, Merkley, and Menendez to the SEC, contains the language quoted in paragraph  
18 326. Except as admitted, lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations in paragraph 326, and on that basis denies those  
20 allegations.

21           327. Paragraph 327 contains conclusions of law to which no response is  
22 required. To the extent paragraph 327 contains factual allegations that require a  
23 response, Shrewsberry denies the allegations of paragraph 327 to the extent alleged  
24 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the allegations concerning any Defendant other than himself, and on  
26 that basis denies those allegations.

27           328. Shrewsberry admits that the Q3 2011 10-Q filed on November 8, 2011  
28 contains the language quoted in paragraph 328, the contents of which speak for

1 themselves. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
2 to form a belief about the truth of the allegations in paragraph 328, and on that basis  
3 denies those allegations.

4 329. Shrewsberry admits that the Wells Fargo 2011 Annual Report contains the  
5 language quoted in paragraph 329, the contents of which speak for themselves. Except as  
6 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
7 the truth of the allegations in paragraph 328, and on that basis denies those allegations.

8 330. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 330, and on that basis denies those  
10 allegations.

11 331. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in paragraph 331, and on that basis denies those  
13 allegations.

14 332. Shrewsberry lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations in paragraph 332, and on that basis denies those  
16 allegations.

17 333. Shrewsberry admits that Exhibit 13 to the Wells Fargo 2012 Form 10-K  
18 contains the language quoted in paragraph 333, the content of which speaks for itself.  
19 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
20 belief about the truth of the allegations in paragraph 333, and on that basis denies those  
21 allegations.

22 334. Shrewsberry admits that the Q3 2012 Form 10-Q contains the language  
23 quoted and paraphrased in paragraph 334, except that the 10Q does not contain the added  
24 emphasis, the contents of which speak for themselves. Except as admitted, Shrewsberry  
25 lacks knowledge or information sufficient to form a belief about the truth of the  
26 allegations in paragraph 334, and on that basis denies those allegations.

1           335. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 335, and on that basis denies those  
3 allegations.

4           336. Shrewsberry admits that the transcript of the Q1 2013 earnings call contains  
5 the statements quoted in paragraph 336, without the added emphasis. Except as admitted,  
6 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
7 the allegations in paragraph 336, and on that basis denies those allegations

8           337. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 337, and on that basis denies those  
10 allegations.

11           338. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in paragraph 338, and on that basis denies those  
13 allegations.

14           339. Shrewsberry admits that the transcript of the Q2 2013 earnings call contains  
15 the statements quoted in paragraph 339, without the added emphasis. Except as admitted,  
16 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
17 the allegations in paragraph 339, and on that basis denies those allegations.

18           340. Shrewsberry admits that the transcript of the Q3 2013 earnings call contains  
19 the statements quoted in paragraph 340, without the added emphasis. Except as admitted,  
20 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
21 the allegations in paragraph 340, and on that basis denies those allegations

22           341. Shrewsberry admits that the transcript of the Q4 2013 earnings call contains  
23 the statements quoted in paragraph 341, without the added emphasis. Except as admitted,  
24 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
25 the allegations in paragraph 341, and on that basis denies those allegations.

26           342. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations in paragraph 342, and on that basis denies those  
28 allegations.

1           343. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 343, and on that basis denies those  
3 allegations.

4           344. Shrewsberry admits that the 2013 Form 10-K contains the statements  
5 quoted in paragraph 344, the contents of which speak for themselves. Except as admitted,  
6 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
7 the allegations in paragraph 344, and on that basis denies those allegations.

8           345. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 345, and on that basis denies those  
10 allegations.

11           346. Shrewsberry admits the transcript of the Q1 2014 earnings call contains the  
12 statement quoted in paragraph 346. Except as admitted, Shrewsberry lacks knowledge or  
13 information sufficient to form a belief about the truth of the allegations in paragraph 346,  
14 and on that basis denies those allegations.

15           347. Shrewsberry admits that the Q1 2014 10Q contains the statements quoted in  
16 paragraph 347, without the added emphasis, the contents of which speak for themselves.  
17 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
18 belief about the truth of the allegations in paragraph 344, and on that basis denies those  
19 allegations.

20           348. Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations in paragraph 348, and on that basis denies those  
22 allegations.

23           349. As to footnote 176, Shrewsberry admits that the transcript of the September  
24 10, 2014, Barclay's Global Financial Services Conference contains the statement quoted  
25 in paragraph 349 and attributed to him. Shrewsberry admits that the transcript of the May  
26 20, 2014 Investor Day conference contains the statement quoted in paragraph 349 and  
27 attributed to him. The contents of these statements speak for themselves. Except as  
28

1 admitted, Shrewsberry lacks knowledge of information sufficient to form a belief about  
2 the truth of the allegations in paragraph 349.

3 350. Shrewsberry admits that the transcript of the May 20, 2014 Investor Day  
4 conference contains the statement quoted in paragraph 350 and attributed to Ms. Tolstedt,  
5 without the added emphasis. Except as admitted, Shrewsberry lacks knowledge or  
6 information sufficient to form a belief about the truth of the allegations in paragraph 350.

7 351. Shrewsberry admits that the transcript of the May 20, 2014 Investor Day  
8 conference contains the statement quoted in paragraph 351 and attributed to Mr. Sloan.  
9 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
10 belief about the truth of the allegations in paragraph 351.

11 352. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in paragraph 352, and on that basis denies those  
13 allegations.

14 353. Shrewsberry admits that the Q3 2014 10-Q contains the statement quoted in  
15 paragraph 353, the content of which speaks for itself. Except as admitted, Shrewsberry  
16 lacks knowledge or information sufficient to form a belief about the truth of the  
17 allegations in paragraph 353, and on that basis denies those allegations.

18 354. Shrewsberry admits the transcript of the Q3 2014 earnings call contains the  
19 statements quoted in paragraph 354, the contents of which speak for themselves. Except  
20 as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations in paragraph 354, and on that basis denies those  
22 allegations.

23 355. Shrewsberry lacks knowledge or information sufficient to form a belief  
24 about the truth of the allegations in paragraph 355, and on that basis denies those  
25 allegations.

26 356. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations in paragraph 356, and on that basis denies those  
28 allegations.



1           357. Shrewsberry admits that the transcript of the Q4 2014 earnings call contains  
2 the statement quoted in paragraph 357 attributed to Mr. Stumpf. Except as admitted,  
3 lacks knowledge or information sufficient to form a belief about the truth of the  
4 allegations in paragraph 357, and on that basis denies those allegations.

5           358. Shrewsberry admits that the 2014 10-K contains the statements quoted in  
6 paragraph 358, except the 10-K does not contain the added emphasis, the contents of  
7 which speak for themselves. Except as admitted, Shrewsberry lacks knowledge or  
8 information sufficient to form a belief about the truth of the allegations in paragraph 358,  
9 and on that basis denies those allegations.

10           359. Shrewsberry lacks knowledge or information sufficient to form a belief  
11 about the truth of the allegations in paragraph 359, and on that basis denies those  
12 allegations.

13           360. Shrewsberry lacks knowledge or information sufficient to form a belief  
14 about the truth of the allegations in paragraph 360, and on that basis denies those  
15 allegations.

16           361. Shrewsberry admits that the Wells Fargo January 26, 2016 press release  
17 stated that the Board of directors “increased the company’s authority to repurchase  
18 common stock by an additional 350 million shares.” Except as admitted, Shrewsberry  
19 lacks knowledge or information sufficient to form a belief about the truth of the  
20 allegations in paragraph 361, and on that basis denies those allegations.

21           362. Shrewsberry admits that the 2015 10-K contains the statement quoted in  
22 paragraph 362, without the added emphasis, the content of which speaks for itself.  
23 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
24 belief about the truth of the allegations in paragraph 362, and on that basis denies those  
25 allegations.

26           363. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations in paragraph 363, and on that basis denies those  
28 allegations.

1           364. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 364, and on that basis denies those  
3 allegations.

4           365. Shrewsberry admits that the July 15, 2016 earnings call transcript contains  
5 the language quoted and paraphrased in paragraph 365 and attributed to Mr. Stumpf.  
6 Shrewsberry further admits that the transcript of Mr. Stumpf's testimony before the  
7 Senate Banking Committee reflects that Mr. Stumpf stated that Ms. Tolstedt chose to  
8 retire. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
9 form a belief about the truth of the allegations in paragraph 365, and on that basis denies  
10 those allegations.

11           366. Shrewsberry admits that the Q2 2016 10Q contains the disclosure: "During  
12 second quarter 2016, we changed how we determine retail banking households within  
13 Community Banking to include only those households that maintain a retail checking  
14 account, which we believe provides the foundation for long-term retail banking  
15 relationships." Shrewsberry admits that the Q2 2016 10Q was filed approximately one  
16 month prior to the time Wells Fargo entered into consent orders with the OCC and CFPB  
17 and the Stipulated Final Judgment with the L.A. City Attorney's Office. The contents of  
18 these documents speak for themselves. As to the supervisory letter, Shrewsberry  
19 understands that the OCC takes the position that its supervisory communications with  
20 Wells Fargo are privileged and confidential supervisory information (with the privilege  
21 owned and controlled by the OCC), and that no response is permitted or appropriate.  
22 Except as admitted, Shrewsberry lacks knowledge or information sufficient to form a  
23 belief about the truth of the allegations in paragraph 366, and on that basis denies those  
24 allegations.

25           367. Paragraph 367 contains conclusions of law to which no response is  
26 required. To the extent paragraph 367 contains factual allegations that require a  
27 response, Shrewsberry denies the allegations of paragraph 367 to the extent alleged  
28 against him. Shrewsberry lacks knowledge or information sufficient to form a belief

1 about the truth of the allegations concerning any Defendant other than himself, and on  
2 that basis denies those allegations.

3 368. Paragraph 368 contains conclusions of law to which no response is  
4 required. To the extent paragraph 368 contains factual allegations that require a  
5 response, Shrewsberry denies the allegations of paragraph 368 to the extent alleged  
6 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations concerning any Defendant other than himself, and on  
8 that basis denies those allegations.

9 369. Shrewsberry denies the allegations of the first sentence of paragraph 369 to  
10 the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to  
11 form a belief about the truth of those allegations concerning any Defendant other than  
12 himself, and on that basis denies those allegations. As to the second and third sentences  
13 of paragraph 369, Shrewsberry understands that the OCC takes the position that its  
14 supervisory communications with Wells Fargo are privileged and confidential  
15 supervisory information (with the privilege owned and controlled by the OCC), and that  
16 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
17 allegations of paragraph 369 concerning the OCC by stating that he lacks knowledge or  
18 information sufficient to form a belief as to the truth of the allegations, and on that basis  
19 denies them and refers the Court to the referenced document for its content.

20 370. Shrewsberry admits that the 2012 and 2013 Annual Reports contain the  
21 statements quoted in paragraph 370. Except as admitted, Shrewsberry lacks knowledge  
22 or information sufficient to form a belief about the truth of the allegations in paragraph  
23 370, and on that basis denies those allegations.

24 371. Shrewsberry lacks knowledge or information sufficient to form a belief  
25 about the truth of the allegations in paragraph 371, and on that basis denies those  
26 allegations.

27 372. Shrewsberry admits that the 2013 Annual Report contains the statement  
28 quoted in paragraph 372, without the added emphasis. Except as admitted, Shrewsberry

1 lacks knowledge or information sufficient to form a belief about the truth of the  
2 allegations in paragraph 372, and on that basis denies those allegations

3 373. Shrewsberry admits that the 2014 and 2015 Annual Reports contain the  
4 statement quoted in paragraph 373, without the added emphasis, the content of which  
5 speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information  
6 sufficient to form a belief about the truth of the allegations in paragraph 373, and on that  
7 basis denies those allegations.

8 374. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 374, and on that basis denies those  
10 allegations.

11 375. Shrewsberry admits that the 2015 Annual Report contains the statement  
12 quoted in paragraph 375, without the added emphasis, the content of which speaks for  
13 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
14 form a belief about the truth of the allegations in paragraph 375, and on that basis denies  
15 those allegations.

16 376. Shrewsberry admits that the 2015 Annual Report contains the statement  
17 quoted in paragraph 376, the contents of which speak for itself. Except as admitted,  
18 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
19 the allegations in paragraph 376, and on that basis denies those allegations.

20 377. Shrewsberry admits that the CFPB consent order contains the language  
21 quoted in paragraph 377(d). As to the OCC order, Shrewsberry understands that the  
22 OCC takes the position that its supervisory communications with Wells Fargo are  
23 privileged and confidential supervisory information (with the privilege owned and  
24 controlled by the OCC), and that no response is permitted or appropriate, and refers the  
25 Court to the referenced document for its content. Except as admitted, Shrewsberry lacks  
26 knowledge or information sufficient to form a belief about the truth of the allegations in  
27 paragraph 377, and on that basis denies those allegations.

1           378. Paragraph 378 contains conclusions of law to which no response is  
2 required. To the extent paragraph 378 contains factual allegations that require a  
3 response, Shrewsberry admits that the September 28, 2016 letter to the SEC from  
4 Senators Warren, Merkley, and Menendez, referenced in paragraph 322, contains the  
5 statement quoted in paragraph 378, without the added emphasis. Shrewsberry denies the  
6 remaining allegations in paragraph 378 to the extent alleged against him. Shrewsberry  
7 lacks knowledge or information sufficient to form a belief about the truth of the  
8 remaining allegations concerning any Defendant other than himself, and on that basis  
9 denies those allegations.

10           379. Shrewsberry admits that the Wells Fargo 2015 Form 10-K was filed with  
11 the certification quoted in paragraph 379 and signed by him, the content of which speaks  
12 for itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
13 form a belief about the truth of the allegations in paragraph 379, and on that basis denies  
14 those allegations.

15           380. Shrewsberry admits that that the 2015 Annual Report contains the quoted  
16 statement, without the added emphasis, the content of which speaks for itself. Except as  
17 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
18 the truth of the allegations in paragraph 380, and on that basis denies those allegations.

19           381. Paragraph 381 contains conclusions of law to which no response is  
20 required. To the extent paragraph 381 contains factual allegations that require a  
21 response, Shrewsberry denies the allegations in paragraph 381 to the extent alleged  
22 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations concerning any Defendant other than himself, and on  
24 that basis denies those allegations.

25           382. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 382, and on that basis denies those  
27 allegations.  
28

1           383. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 383, and on that basis denies those  
3 allegations.

4           384. As to the seventh sentence of this paragraph, Shrewsberry denies the  
5 allegation to the extent alleged against him. Shrewsberry lacks knowledge or information  
6 sufficient to form a belief about the truth of the remaining allegations in paragraph 384,  
7 and on that basis denies those allegations.

8           385. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations in paragraph 385, and on that basis denies those  
10 allegations.

11           386. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the allegations in paragraph 386, and on that basis denies those  
13 allegations.

14           387. As to the seventh sentence of this paragraph, Shrewsberry denies the  
15 allegation to the extent alleged against him. Shrewsberry lacks knowledge or information  
16 sufficient to form a belief about the truth of the remaining allegations in paragraph 387,  
17 and on that basis denies those allegations.

18           388. Shrewsberry lacks knowledge or information sufficient to form a belief  
19 about the truth of the allegations in paragraph 388 and on that basis denies those  
20 allegations.

21           389. As to the seventh sentence of this paragraph, Shrewsberry denies the  
22 allegation to the extent alleged against him. Shrewsberry lacks knowledge or information  
23 sufficient to form a belief about the truth of the remaining allegations in paragraph 389,  
24 and on that basis denies those allegations.

25           390. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 390, and on that basis denies those  
27 allegations.

1           391. As to the seventh sentence of this paragraph, Shrewsberry denies the  
2 allegation to the extent alleged against him. Shrewsberry lacks knowledge or information  
3 sufficient to form a belief about the truth of the remaining allegations in paragraph 391,  
4 and on that basis denies those allegations.

5           392. Shrewsberry lacks knowledge or information sufficient to form a belief  
6 about the truth of the allegations in paragraph 392, and on that basis denies those  
7 allegations.

8           393. Shrewsberry admits that the referenced *Financial Times* article contains the  
9 statements quoted in paragraph 393. Except as admitted, Shrewsberry lacks knowledge  
10 or information sufficient to form a belief about the truth of the allegations in paragraph  
11 393 and on that basis denies those allegations.

12           394. Shrewsberry admits that the referenced *Financial Times* article contains the  
13 statements quoted and paraphrased in paragraph 394. Except as admitted, Shrewsberry  
14 lacks knowledge or information sufficient to form a belief about the truth of the  
15 allegations in paragraph 394 and on that basis denies those allegations.

16           395. Paragraph 395 contains conclusions of law to which no response is  
17 required. To the extent paragraph 395 contains factual allegations that require a  
18 response, Shrewsberry denies the allegations in paragraph 395 to the extent alleged  
19 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
20 about the truth of the allegations concerning any Defendant other than himself, and on  
21 that basis denies those allegations.

22           396. Paragraph 395 contains conclusions of law to which no response is  
23 required. To the extent paragraph 395 contains factual allegations that require a  
24 response, Shrewsberry denies the allegations in paragraph 396 to the extent alleged  
25 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations concerning any Defendant other than himself, and on  
27 that basis denies those allegations. To the extent paragraph 396 contains additional  
28



1 allegations, Shrewsberry lacks knowledge or information sufficient to form a belief about  
2 the truth of the allegations in paragraph 396 and on that basis denies those allegations.

3 397. Paragraph 397 contains conclusions of law to which no response is  
4 required. To the extent paragraph 397 contains factual allegations that require a  
5 response, Shrewsberry lacks knowledge or information sufficient to form a belief about  
6 the truth of the allegations in paragraph 397 and on that basis denies those allegations.

7 398. Shrewsberry admits the allegations in paragraph 398(a), 398(b) and 398(d).  
8 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
9 the remaining allegations in paragraph 398 and on that basis denies those allegations.

10 399. Paragraph 399 contains conclusions of law to which no response is  
11 required. To the extent paragraph 399 contains factual allegations that require a  
12 response, Shrewsberry lacks knowledge or information sufficient to form a belief about  
13 the truth of the allegations in paragraph 399, and on that basis denies those allegations.

14 400. Paragraph 400 contains conclusions of law to which no response is  
15 required. To the extent paragraph 400 contains factual allegations that require a  
16 response, Shrewsberry lacks knowledge or information sufficient to form a belief about  
17 the truth of the allegations in paragraph 400 and on that basis denies those allegations.

18 401. Shrewsberry denies the allegations in paragraph 401 to the extent alleged  
19 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
20 about the truth of the allegations concerning any Defendant other than himself, and on  
21 that basis denies those allegations.

22 402. Paragraph 402 of the Complaint contains conclusions of law to which no  
23 response is required. To the extent a response is required, Shrewsberry denies the  
24 allegations in paragraph 402 to the extent alleged against him. Shrewsberry lacks  
25 knowledge or information sufficient to form a belief about the truth of the allegations  
26 concerning any Defendant other than himself, and on that basis denies those allegations

27 403. Paragraph 403 of the Complaint contains conclusions of law to which no  
28 response is required. To the extent a response is required, Shrewsberry denies the

1 allegations in paragraph 403 to the extent alleged against him. Shrewsberry lacks  
2 knowledge or information sufficient to form a belief about the truth of the allegations  
3 concerning any Defendant other than himself, and on that basis denies those allegations.  
4

5 404. Paragraph 404 of the Complaint contains conclusions of law to which no  
6 response is required. To the extent a response is required, Shrewsberry denies the  
7 allegations in paragraph 404 to the extent alleged against him. Shrewsberry lacks  
8 knowledge or information sufficient to form a belief about the truth of the allegations  
9 concerning any Defendant other than himself, and on that basis denies those allegations.

10 405. Paragraph 405 of the Complaint contains conclusions of law to which no  
11 response is required. To the extent a response is required, Shrewsberry denies the  
12 allegations in paragraph 405 to the extent alleged against him. Shrewsberry lacks  
13 knowledge or information sufficient to form a belief about the truth of the allegations  
14 concerning any Defendant other than himself, and on that basis denies those allegations.

15 406. Paragraph 406 of the Complaint contains conclusions of law to which no  
16 response is required. To the extent a response is required, Shrewsberry denies the  
17 allegations in paragraph 406 to the extent alleged against him. Shrewsberry lacks  
18 knowledge or information sufficient to form a belief about the truth of the allegations  
19 concerning any Defendant other than himself, and on that basis denies those allegations.

20 407. Shrewsberry admits that, according to Wells Fargo's historical stock  
21 information, on August 31, 2016, the stock closed at \$50.80 and that on September 7,  
22 2016, the stock closed at \$49.77. Except as admitted, Shrewsberry denies the allegations  
23 of paragraph 407.

24 408. Shrewsberry admits that on or about September 8, 2016, Wells Fargo  
25 entered into a final judgment with the L.A. City Attorney Shrewsberry further admits that  
26 on or about September 8, 2016, the CFPB and the OCC announced consent orders issued  
27 against Wells Fargo. The contents of these documents speak for themselves. Except as  
28 admitted, Shrewsberry denies the allegations in paragraph 408 to the extent alleged

1 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations concerning any Defendant other than himself, and on  
3 that basis denies those allegations.

4 409. Shrewsberry admits that, according to Wells Fargo's historical stock  
5 information, on September 8, 2016, Wells Fargo share price closed at \$49.90 and that on  
6 October 4, 2016, the Wells Fargo share price closed at \$43.75. Except as admitted,  
7 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
8 the allegations in paragraph 409, and on that basis denies those allegations.

9 410. Shrewsberry denies the allegations in paragraph 410 to the extent alleged  
10 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
11 about the truth of the allegations concerning any Defendant other than himself, and on  
12 that basis denies those allegations.

13 **IX. ALLEGATIONS REGARDING REVELATIONS BEGINNING**  
14 **SEPTEMBER 2016**

15 411. Shrewsberry denies the allegations in paragraph 411 to the extent alleged  
16 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations concerning any Defendant other than himself, and on  
18 that basis denies those allegations.

19 412. Shrewsberry admits that on or about September 8, 2016, Wells Fargo  
20 entered into a final judgment with the L.A. City Attorney, the content of which speaks for  
21 itself. Shrewsberry further admits that on or about September 8, 2016, the CFPB and the  
22 OCC announced consent orders issued against Wells Fargo, the contents of which speak  
23 for themselves. In addition, Shrewsberry admits that Mr. Stumpf testified before the  
24 Senate Banking Committee on September 20, 2016, and that in or around October 2016,  
25 Mr. Stumpf retired from Wells Fargo. Except as admitted, Shrewsberry lacks knowledge  
26 or information sufficient to form a belief about the truth of the allegations in paragraph  
27 412, and on that basis denies those allegations.

1           413. Shrewsberry admits that the referenced New York Times article and the  
2 September 20, 2016 written testimony of Mr. Cordray, Director of the CFPB, before the  
3 Senate Banking Committee contain the statements quoted in paragraph 413. Except as  
4 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
5 the truth of the allegations in paragraph 413, and on that basis denies those allegations.

6           414. Shrewsberry admits that in a press release available at  
7 [https://www.lacityattorney.org/single-post/2016/09/08/Los-Angeles-City-Attorney-Mike-](https://www.lacityattorney.org/single-post/2016/09/08/Los-Angeles-City-Attorney-Mike-Feuer-Achieves-Historic-Result-in-Consumer-Action-Against-Wells-Fargo-Bank-to-Make-Restitution-to-Customers-Pay-50-million-in-Penalties-Unprecedented-Coordination-with-Federal-Regulators-to-Benefit-Consumers-Nationwide)  
8 [Feuer-Achieves-Historic-Result-in-Consumer-Action-Against-Wells-Fargo-Bank-to-](https://www.lacityattorney.org/single-post/2016/09/08/Los-Angeles-City-Attorney-Mike-Feuer-Achieves-Historic-Result-in-Consumer-Action-Against-Wells-Fargo-Bank-to-Make-Restitution-to-Customers-Pay-50-million-in-Penalties-Unprecedented-Coordination-with-Federal-Regulators-to-Benefit-Consumers-Nationwide)  
9 [Make-Restitution-to-Customers-Pay-50-million-in-Penalties-Unprecedented-](https://www.lacityattorney.org/single-post/2016/09/08/Los-Angeles-City-Attorney-Mike-Feuer-Achieves-Historic-Result-in-Consumer-Action-Against-Wells-Fargo-Bank-to-Make-Restitution-to-Customers-Pay-50-million-in-Penalties-Unprecedented-Coordination-with-Federal-Regulators-to-Benefit-Consumers-Nationwide)  
10 [Coordination-with-Federal-Regulators-to-Benefit-Consumers-Nationwide](https://www.lacityattorney.org/single-post/2016/09/08/Los-Angeles-City-Attorney-Mike-Feuer-Achieves-Historic-Result-in-Consumer-Action-Against-Wells-Fargo-Bank-to-Make-Restitution-to-Customers-Pay-50-million-in-Penalties-Unprecedented-Coordination-with-Federal-Regulators-to-Benefit-Consumers-Nationwide) , Mr. Feuer  
11 made the statement quoted in paragraph 414. Except as admitted, Shrewsberry lacks  
12 knowledge or information sufficient to form a belief about the truth of the allegations in  
13 paragraph 414, and on that basis denies those allegations.

14           415. Shrewsberry admits that the final judgment with the L.A. City Attorney's  
15 office requires Wells Fargo to make restitution and pay a civil penalty, and that the  
16 content of this document speaks for itself. Except as admitted, Shrewsberry lacks  
17 knowledge or information sufficient to form a belief about the truth of the allegations in  
18 paragraph 415, and on that basis denies those allegations.

19           416. Shrewsberry admits that the final judgment with the Los Angeles City  
20 Attorney requires Wells Fargo to establish certain policies and procedures, and that the  
21 content of that document speaks for itself. Except as admitted, Shrewsberry lacks  
22 knowledge or information sufficient to form a belief about the truth of the allegations in  
23 paragraph 416, and on that basis denies those allegations.

24           417. Shrewsberry admits that the final judgment with the L.A. City Attorney's  
25 office requires Wells Fargo to establish procedures to address the claims by certain  
26 customers relating to unauthorized accounts, and that the content of this document speaks  
27 for itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
28

1 form a belief about the truth of the allegations in paragraph 417, and on that basis denies  
2 those allegations.

3 418. To the extent Plaintiffs purport to describe the CFPB Consent Order, 2016-  
4 CFPB-0015, Shrewsberry responds that the document speaks for itself. Except as  
5 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
6 the truth of the allegations in paragraph 418, and on that basis denies those allegations.

7 419. Shrewsberry admits that the CFPB Consent Order states: “Respondent’s  
8 analysis concluded that its employees opened 1,534,280 deposit accounts that may not  
9 have been authorized and that may have been funded through simulated funding, or  
10 transferring funds from consumers’ existing accounts without their knowledge or  
11 consent.” September 8, 2016 CFPB Consent Order at ¶ 16. Additionally, Shrewsberry  
12 admits that the CFPB Consent Order states: “Respondent’s analysis concluded that its  
13 employees submitted applications for 565,443 credit-card accounts that may not have  
14 been authorized by using consumers’ information without their knowledge or consent.”  
15 Id. at ¶ 23. Further, Shrewsberry admits that the CFPB Consent Order states:  
16 “Respondent’s employees requested debit cards and created PINs to activate them  
17 without consumers’ knowledge or consent,” and “Respondent’s employees used email  
18 addresses not belonging to consumers to enroll consumers in online-banking services  
19 without their knowledge or consent.” Id. at ¶¶ 30, 34. Also, the CFPB Consent Order  
20 states: “During the Relevant Period, Respondent terminated roughly 5,300 employees for  
21 engaging in Improper Sales Practices.” Id. at ¶ 9. Except as admitted, Shrewsberry  
22 denies the allegations in paragraph 419.

23 420. To the extent Plaintiffs purport to paraphrase the CFPB Consent Order,  
24 2016-CFPB-0015, Shrewsberry responds that the document speaks for itself. Except as  
25 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
26 the truth of the allegations in paragraph 420, and on that basis denies those allegations.

27 421. Shrewsberry admits Mr. Cordray’s written testimony before the Senate  
28 Banking Committee dated September 20, 2016, contains the statement quoted in

1 paragraph 421. Except as admitted, Shrewsberry lacks knowledge or information  
2 sufficient to form a belief about the truth of the allegations in paragraph 421, and on that  
3 basis denies those allegations.

4 422. Shrewsberry understands that the OCC takes the position that its  
5 supervisory communications with Wells Fargo are privileged and confidential  
6 supervisory information (with the privilege owned and controlled by the OCC), and that  
7 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
8 allegations of paragraph 422 by stating that he lacks knowledge or information sufficient  
9 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
10 the Court to the referenced document for its content.

11 423. Shrewsberry understands that the OCC takes the position that its  
12 supervisory communications with Wells Fargo are privileged and confidential  
13 supervisory information (with the privilege owned and controlled by the OCC), and that  
14 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
15 allegations of paragraph 423 by stating that he lacks knowledge or information sufficient  
16 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
17 the Court to the referenced document for its content.

18 424. Shrewsberry admits that Wells Fargo issued press releases containing the  
19 statements quoted in paragraph 424. Except as admitted, Shrewsberry lacks knowledge or  
20 information sufficient to form a belief about the truth of the allegations in paragraph 424,  
21 and on that basis denies those allegations.

22 425. Shrewsberry admits that, according to Wells Fargo's historical stock  
23 information, on September 8, 2016, the closing price of the stock was \$49.90 per share  
24 and on September 16, 2016, it was \$45.43 per share. Shrewsberry lacks knowledge or  
25 information sufficient to form a belief about the truth of the remaining allegations in  
26 paragraph 425, and on that basis denies those allegations.  
27  
28

1           426. Shrewsberry lacks knowledge or information sufficient to form a belief  
2 about the truth of the allegations in paragraph 426, and on that basis denies those  
3 allegations.

4           427. Shrewsberry admits that in a letter available at  
5 [https://www.warren.senate.gov/files/documents/2016-9-16\\_Letter\\_to\\_Wells\\_Fargo.pdf](https://www.warren.senate.gov/files/documents/2016-9-16_Letter_to_Wells_Fargo.pdf),  
6 Senator Warren, along with other senators, made the statements paraphrased and quoted  
7 in paragraph 427. Except as admitted, Shrewsberry lacks knowledge or information  
8 sufficient to form a belief about the truth of the allegations in paragraph 427, and on that  
9 basis denies those allegations.

10           428. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
11 Banking Committee hearing reflects that Mr. Stumpf made the statements quoted and  
12 paraphrased in the second and third sentences of paragraph 428. Except as admitted,  
13 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
14 the allegations in paragraph 428, and on that basis denies those allegations.

15           429. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
16 Banking Committee hearing reflects that Mr. Stumpf made the statements quoted in the  
17 paragraph 429. Except as admitted, Shrewsberry lacks knowledge or information  
18 sufficient to form a belief about the truth of the allegations of paragraph 429, and on that  
19 basis denies those allegations.

20           430. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
21 Banking Committee hearing reflects that Mr. Stumpf made the statement quoted in  
22 paragraph 430. Except as admitted, Shrewsberry lacks knowledge or information  
23 sufficient to form a belief about the truth of the allegations of paragraph 430, and on that  
24 basis denies those allegations.

25           431. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 431, and on that basis denies those  
27 allegations.



1           432. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
2 Banking Committee hearing reflects that Mr. Stumpf made the statement quoted in  
3 paragraph 432. Except as admitted, Shrewsberry lacks knowledge or information  
4 sufficient to form a belief about the truth of the allegations of paragraph 432, and on that  
5 basis denies those allegations.

6           433. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
7 Banking Committee hearing reflects that Senators Warren, Toomey, and Brown, made  
8 the statements quoted in paragraph 433. Except as admitted, Shrewsberry lacks  
9 knowledge or information sufficient to form a belief about the truth of the allegations in  
10 paragraph 433, and on that basis denies those allegations.

11           434. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
12 Banking Committee hearing reflects that Senator Brown made the statements quoted in  
13 paragraph 434. Except as admitted, Shrewsberry denies the allegations in paragraph 434.

14           435. Shrewsberry admits that the transcript of the September 20, 2016 Senate  
15 Banking Committee hearing reflects that Senator Brown and Mr. Stumpf made the  
16 statements quoted in paragraph 435. Except as admitted, Shrewsberry denies the  
17 allegations in paragraph 435.

18           436. Shrewsberry admits that the Los Angeles Times article cited in paragraph  
19 436 contains the statements from Ed Mierzwinski quoted therein. Except as admitted,  
20 Shrewsberry denies the allegations in paragraph 436.

21           437. Shrewsberry admits that a letter available at  
22 [https://www.warren.senate.gov/files/documents/2016-9-22WellsFLSAletter\\_OCR.pdf](https://www.warren.senate.gov/files/documents/2016-9-22WellsFLSAletter_OCR.pdf)  
23 written by Senator Warren and others, contains the statement quoted in paragraph 437.  
24 Except as admitted, Shrewsberry denies the allegations in paragraph 437.

25           438. Shrewsberry admits that a letter available at  
26 [https://www.warren.senate.gov/files/documents/2016-9-](https://www.warren.senate.gov/files/documents/2016-9-28_Wells_Fargo_Comp_Letter_OCR.pdf)  
27 [28\\_Wells\\_Fargo\\_Comp\\_Letter\\_OCR.pdf](https://www.warren.senate.gov/files/documents/2016-9-28_Wells_Fargo_Comp_Letter_OCR.pdf), written by Senator Warren and others to  
28 Steven Sanger, contains the statements quoted in paragraph 438. Except as admitted,

1 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
2 the allegations of paragraph 438, and on that basis denies those allegations.

3 439. Shrewsberry admits that the Treasurer's Office of the State of California  
4 issued a statement that is accurately paraphrased and quoted in the first two sentences of  
5 paragraph 439. Except as admitted, Shrewsberry lacks knowledge or information  
6 sufficient to form a belief about the truth of the allegations in paragraph 439, and on that  
7 basis denies those allegations.

8 440. Shrewsberry admits that the transcript of the September 29, 2016 hearing  
9 before the House Financial Services Committee contains the statements quoted in  
10 paragraph 440. Except as admitted, Shrewsberry denies the allegations in paragraph 440.

11 441. Shrewsberry admits that in a letter available at  
12 [https://www.warren.senate.gov/files/documents/2016-9-](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf)  
13 [28 Letter to SEC RE Wells Investigation.pdf](https://www.warren.senate.gov/files/documents/2016-9-28_Letter_to_SEC_RE_Wells_Investigation.pdf), Senator Warren and others made the  
14 statements quoted in paragraph 441. To the extent Plaintiffs purport to describe that  
15 letter, Shrewsberry responds that the document speaks for itself. Except as admitted,  
16 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
17 the allegations in paragraph 441, and on that basis denies those allegations

18 442. Shrewsberry admits that in or about October 2016, Mr. Stumpf retired from  
19 his position as Wells Fargo's CEO and Chairman of the Board of Directors. Shrewsberry  
20 further admits that, prior to his retirement, Mr. Stumpf voluntarily waived his rights to all  
21 of his outstanding unvested equity awards. Shrewsberry further admits that Mr. Sloan  
22 succeeded Mr. Stumpf as CEO of Wells Fargo, and that Mr. Sanger succeeded Mr.  
23 Stumpf as Chairman of Wells Fargo's Board of Directors. Except as admitted,  
24 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
25 the allegations in paragraph 442, and on that basis denies those allegations.

26 443. Shrewsberry admits that the letter from Senators Warren and Menendez to  
27 the Wells Fargo Board, dated October 20, 2016 contains the language quoted in  
28 paragraph 443, without the added emphasis. Except as admitted, Shrewsberry lacks

1 knowledge or information sufficient to form a belief about the truth of the allegations in  
2 paragraph 443, and on that basis denies those allegations.

### 3 **X. ADDITIONAL DAMAGES TO WELLS FARGO**

4 444. Shrewsberry admits that the Wells Fargo Code of Ethics and Business  
5 conduct states: “We have a responsibility to always act with honesty and integrity. When  
6 we do so, we earn the trust of our customers. We have to earn that trust every day by  
7 behaving ethically; rewarding open, honest communication; and holding ourselves  
8 accountable for the decisions we make and the actions we take.” Available at:  
9 <https://www08.wellsfargomedia.com/assets/pdf/about/corporate/code-of-ethics.pdf>  
10 Shrewsberry denies the remaining allegations in paragraph 444 to the extent alleged  
11 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
12 about the truth of the remaining allegations concerning any Defendant other than himself,  
13 and on that basis denies those allegations.

14 445. Shrewsberry denies the allegations in paragraph 445 to the extent alleged  
15 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations concerning any Defendant other than himself, and on  
17 that basis denies those allegations.

18 446. Shrewsberry admits that a J.P. Morgan report contains the statement quoted  
19 in paragraph 446 and attributed to Vivek Juneja’s. Except as admitted, Shrewsberry lacks  
20 knowledge or information sufficient to form a belief about the truth of the allegations in  
21 paragraph 446, and on that basis denies those allegations.

22 447. Shrewsberry lacks knowledge or information sufficient to form a belief  
23 about the truth of the allegations in paragraph 447, and on that basis denies those  
24 allegations.

25 448. Shrewsberry lacks knowledge or information sufficient to form a belief  
26 about the truth of the allegations in paragraph 448, and on that basis denies those  
27 allegations.  
28

1           449. Shrewsberry admits that Wells Fargo's Q3 2016 10-Q states: "The high end  
2 of the range of reasonably possible potential litigation losses in excess of the Company's  
3 liability for probable and estimable losses was approximately \$1.7 billion as of  
4 September 30, 2016. The change in the high end of the range from June 30, 2016 related  
5 to a number of matters. It is inherently difficult to determine whether any loss is probable  
6 or even possible or to estimate the amount of any loss. Accordingly, there may be a range  
7 of possible losses in excess of the established liability or the range of reasonably possible  
8 loss. Wells Fargo is unable to determine whether the ultimate resolution of either the  
9 mortgage related regulatory investigations or the sales practices matters will have a  
10 material adverse effect on its consolidated financial condition." Shrewsberry admits that  
11 the Q2 2016 10-Q states: "The high end of the range of reasonably possible potential  
12 litigation losses in excess of the Company's liability for probable and estimable losses  
13 was approximately \$1.0 billion as of June 30, 2016." The contents of these documents  
14 speak for themselves. Except as admitted, Shrewsberry denies the allegations in  
15 paragraph 449.

16           450. Shrewsberry admits that the first sentence of paragraph 450 paraphrases a  
17 November 17, 2016 Wells Fargo press release. Except as admitted, Shrewsberry lacks  
18 knowledge or information sufficient to form a belief about the truth of the allegations in  
19 paragraph 450, and on that basis denies those allegations.

20           451. Shrewsberry admits that on December 16, 2016, Wells Fargo issued a press  
21 release that reported Retail Banking activity data indicating that "Consumer checking  
22 account opens were down 9% LM [last month] and 41% YoY [year over year]." Except  
23 as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief  
24 about the truth of the allegations in paragraph 451, and on that basis denies those  
25 allegations.

26           452. Shrewsberry admits that on February 17, 2017, Wells Fargo issued a press  
27 release that contained data on new customer checking accounts, the content of which  
28 speaks for itself. Except as admitted, Shrewsberry lacks knowledge or information

1 sufficient to form a belief about the truth of the allegations in paragraph 452, and on that  
2 basis denies those allegations.

3 453. Shrewsberry lacks knowledge or information sufficient to form a belief  
4 about the truth of the allegations in paragraph 453, and on that basis denies those  
5 allegations.

6 454. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 454, and on that basis denies those  
8 allegations.

9 455. Shrewsberry lacks knowledge or information sufficient to form a belief  
10 about the truth of the allegations in paragraph 455, and on that basis denies those  
11 allegations.

12 456. Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations in paragraph 456, and on that basis denies those  
14 allegations.

15 457. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 457, and on that basis denies those  
17 allegations.

18 458. Shrewsberry denies the allegations in paragraph 458 to the extent alleged  
19 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
20 about the truth of the allegations concerning any Defendant other than himself, and on  
21 that basis denies those allegations.

22 459. Shrewsberry admits that, in a letter available at:  
23 [http://www.treasurer.ca.gov/news/releases/2016/20160928\\_letter.pdf](http://www.treasurer.ca.gov/news/releases/2016/20160928_letter.pdf), on September 28,  
24 2016, the State of California Treasurer John Chiang informed Wells Fargo of certain  
25 actions his office would take against Wells Fargo. The content of that letter speaks for  
26 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
27 form a belief about the truth of the allegations in paragraph 459, and on that basis denies  
28 those allegations.

1           460. Shrewsberry admits that Mr. Chiang made the statement quoted in  
2 paragraph 460. Except as admitted, Shrewsberry lacks knowledge or information  
3 sufficient to form a belief about the truth of the allegations in paragraph 460, and on that  
4 basis denies those allegations.

5           461. Shrewsberry admits that on October 3, 2016, Illinois State Treasurer  
6 Michael Frerichs issued a press release regarding Wells Fargo, available at:  
7 [https://www.illinois.gov/IISNews/16-0755-TREAS\\_Wells\\_Fargo\\_Release.pdf](https://www.illinois.gov/IISNews/16-0755-TREAS_Wells_Fargo_Release.pdf), the  
8 content of which speaks for themselves. Except as admitted, Shrewsberry lacks  
9 knowledge or information sufficient to form a belief about the truth of the allegations in  
10 paragraph 461, and on that basis denies those allegations.

11           462. Shrewsberry admits that on October 14, 2016, Ohio Governor John Kasich  
12 issued a press release regarding Wells Fargo, available at:  
13 [http://www.governor.ohio.gov/Media-Room/Press-Releases/ArticleId/538/kasich-](http://www.governor.ohio.gov/Media-Room/Press-Releases/ArticleId/538/kasich-opposes-wells-fargos-participation-in-state-financial-work)  
14 [opposes-wells-fargos-participation-in-state-financial-work](http://www.governor.ohio.gov/Media-Room/Press-Releases/ArticleId/538/kasich-opposes-wells-fargos-participation-in-state-financial-work). Except as admitted,  
15 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
16 the allegations in paragraph 462, and on that basis denies those allegations.

17           463. Shrewsberry lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in paragraph 463, and on that basis denies those  
19 allegations.

20           464. Shrewsberry admits that on October 14, 2016, New York Governor Andrew  
21 Cuomo issued a press release regarding Wells Fargo, available at:  
22 <http://www.dfs.ny.gov/about/press/pr1610111.htm>, the content of which speaks for  
23 itself. Except as admitted, Shrewsberry lacks knowledge or information sufficient to  
24 form a belief about the truth of the allegations in paragraph 464, and on that basis denies  
25 those allegations.

26           465. Shrewsberry admits that on November 3, 2016, the Pennsylvania treasury  
27 issued a press release regarding Wells Fargo, available at:  
28 <https://www.prnewswire.com/news-releases/pa-treasury-announces-100-million-impact->

1 [investing-initiative-300354945.html](http://investing-initiative-300354945.html). Except as admitted, Shrewsberry lacks knowledge  
2 or information sufficient to form a belief about the truth of the allegations in paragraph  
3 465, and on that basis denies those allegations.

4 466. Shrewsberry admits that the transcript of the November 28, 2016,  
5 California State Senate's Committee on Banking and Board Oversight hearing contains  
6 the statements quoted in paragraph 466. Except as admitted, Shrewsberry lacks  
7 knowledge or information sufficient to form a belief about the truth of the allegations in  
8 paragraph 466, and on that basis denies those allegations.

9 467. Shrewsberry lacks knowledge or information sufficient to form a belief  
10 about the truth of the allegations in paragraph 467, and on that basis denies those  
11 allegations.

12 468. Shrewsberry denies the allegations in paragraph 468 to the extent alleged  
13 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
14 about the truth of the allegations concerning any Defendant other than himself, and on  
15 that basis denies those allegations.

16 469. Shrewsberry admits that a class action complaint was filed against Wells  
17 Fargo in the United States District Court for the District of Utah, entitled *Lawrence K.*  
18 *Mitchell et al., v. Wells Fargo Bank et al.*, Case No. 2:16-cv-00966. Except as admitted,  
19 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
20 the allegations in paragraph 469, and on that basis denies those allegations.

21 470. Shrewsberry admits that on or about September 29, 2016 a class-action  
22 complaint was filed against Wells Fargo in the United States District Court for the  
23 Northern District of California, entitled *Hefler v. Wells Fargo & Company*, Case No.  
24 3:16-cv-05479-JST. Except as admitted, Shrewsberry lacks knowledge or information  
25 sufficient to form a belief about the truth of the allegations in paragraph 470, and on that  
26 basis denies those allegations.

27 471. Shrewsberry admits that on or about November 22, 2016, a class-action  
28 complaint was filed against Wells Fargo in the United States District Court for the



1 District of Minnesota, entitled *In re: Wells Fargo ERISA 401(k) Litigation*, Case No. 16-  
2 cv-03405-PJS-BRT. Except as admitted, Shrewsberry lacks knowledge or information  
3 sufficient to form a belief about the truth of the allegations in paragraph 471, and on that  
4 basis denies those allegations.

5 472. Shrewsberry admits that on or about December 27, 2016, a complaint was  
6 filed against Wells Fargo in the United States District Court for the Northern District of  
7 California, entitled *Hogan et al v. Wells Fargo & Company et al.*, Case No. 4:16-cv-  
8 07360-DMR. Except as admitted, Shrewsberry lacks knowledge or information sufficient  
9 to form a belief about the truth of the allegations in paragraph 472, and on that basis  
10 denies those allegations.

11 473. A response to paragraph 473 would require the disclosure of privileged  
12 information. Shrewsberry therefore denies the allegations of paragraph 473.

13 474. Shrewsberry lacks knowledge or information sufficient to form a belief  
14 about the truth of the allegations in paragraph 474, and on that basis denies those  
15 allegations.

16 475. Shrewsberry admits that on September 29, 2016, Wells Fargo announced  
17 that “Stumpf will forfeit all of his outstanding unvested equity awards, valued at  
18 approximately \$41 million” and that Tolstedt “has forfeited all outstanding unvested  
19 equity awards valued at approximately \$19 million.” Shrewsberry admits that Stumpf  
20 testified before the House Financial Services Committee that day. Shrewsberry also  
21 admits that a Bloomberg article quoted an analyst who purportedly said that the actions  
22 against executives were “more about optics than substance.” Except as admitted,  
23 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
24 the allegations in paragraph 475, and on that basis denies those allegations.

25 476. Shrewsberry admits that a Bloomberg news article quoted an analyst who  
26 made the statement in the last sentence of paragraph 476. Except as admitted,  
27 Shrewsberry denies the allegations in paragraph 476 to the extent alleged against him.  
28 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of

1 the allegations concerning any Defendant other than himself, and on that basis denies  
2 those allegations.

### 3 **XI. DEMAND FUTILITY ALLEGATIONS**

4 477. Paragraph 477 of the Complaint states a legal conclusion to which no  
5 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
6 or information sufficient to form a belief about the truth of the allegations in paragraph  
7 477, and on that basis denies those allegations.

8 478. Paragraph 478 of the Complaint states a legal conclusion to which no  
9 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
10 or information sufficient to form a belief about the truth of the allegations in paragraph  
11 478, and on that basis denies those allegations.

12 479. Paragraph 479 of the Complaint states a legal conclusion to which no  
13 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
14 or information sufficient to form a belief about the truth of the allegations in paragraph  
15 479, and on that basis denies those allegations.

16 480. Paragraph 480 of the Complaint states a legal conclusion to which no  
17 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
18 or information sufficient to form a belief about the truth of the allegations in paragraph  
19 480, and on that basis denies those allegations.

20 481. Paragraph 481 of the Complaint states a legal conclusion to which no  
21 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
22 or information sufficient to form a belief about the truth of the allegations in paragraph  
23 481, and on that basis denies those allegations.

24 482. Paragraph 482 of the Complaint states a legal conclusion to which no  
25 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
26 or information sufficient to form a belief about the truth of the allegations in paragraph  
27 482, and on that basis denies those allegations.  
28

1           483. Paragraph 483 of the Complaint states a legal conclusion to which no  
2 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
3 or information sufficient to form a belief about the truth of the allegations in paragraph  
4 483, and on that basis denies those allegations.

5           484. Paragraph 484 of the Complaint states a legal conclusion to which no  
6 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
7 or information sufficient to form a belief about the truth of the allegations in paragraph  
8 484, and on that basis denies those allegations.

9           485. Paragraph 485 of the Complaint states a legal conclusion to which no  
10 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
11 or information sufficient to form a belief about the truth of the allegations in paragraph  
12 485, and on that basis denies those allegations.

13           486. Paragraph 486 of the Complaint states a legal conclusion to which no  
14 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
15 or information sufficient to form a belief about the truth of the allegations in paragraph  
16 486, and on that basis denies those allegations.

17           487. Paragraph 487 of the Complaint states a legal conclusion to which no  
18 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
19 or information sufficient to form a belief about the truth of the allegations in paragraph  
20 487, and on that basis denies those allegations.

21           488. Paragraph 488 of the Complaint states a legal conclusion to which no  
22 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
23 or information sufficient to form a belief about the truth of the allegations in paragraph  
24 488, and on that basis denies those allegations.

25           489. Paragraph 489 of the Complaint, states a legal conclusion to which no  
26 response is required. To the extent a response is required Shrewsberry lacks knowledge  
27 or information sufficient to form a belief about the truth of the allegations in paragraph  
28 489, and on that basis denies those allegations.

1           490. Paragraph 490 of the Complaint states a legal conclusion to which no  
2 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
3 or information sufficient to form a belief about the truth of the allegations in paragraph  
4 490, and on that basis denies those allegations.

5           491. Paragraph 491 of the Complaint states a legal conclusion to which no  
6 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
7 or information sufficient to form a belief about the truth of the allegations in paragraph  
8 491, and on that basis denies those allegations.

9           492. Paragraph 492 of the Complaint states a legal conclusion to which no  
10 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
11 or information sufficient to form a belief about the truth of the allegations in paragraph  
12 492, and on that basis denies those allegations.

13           493. Paragraph 493 of the Complaint states a legal conclusion to which no  
14 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
15 or information sufficient to form a belief about the truth of the allegations in paragraph  
16 493, and on that basis denies those allegations.

17           494. Paragraph 494 of the Complaint states a legal conclusion to which no  
18 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
19 or information sufficient to form a belief about the truth of the allegations in paragraph  
20 474, and on that basis denies those allegations.

21           495. Paragraph 495 of the Complaint states a legal conclusion to which no  
22 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
23 or information sufficient to form a belief about the truth of the allegations in paragraph  
24 495, and on that basis denies those allegations.

25           496. Paragraph 496 of the Complaint states a legal conclusion to which no  
26 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
27 or information sufficient to form a belief about the truth of the allegations in paragraph  
28 496, and on that basis denies those allegations.

1           497. Paragraph 497 of the Compliant states a legal conclusion to which no  
2 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
3 or information sufficient to form a belief about the truth of the allegations in paragraph  
4 497, and on that basis denies those allegations.

5           498. Shrewsberry admits that the transcript of the House Financial Services  
6 Committee hearing on September 29, 2016 contains the statement from Mr. Stumpf  
7 quoted in paragraph 498. Except as admitted, Shrewsberry lacks knowledge or  
8 information sufficient to form a belief about the truth of the allegations in paragraph 498,  
9 and on that basis denies those allegations

10           499. Shrewsberry admits that the L.A. City Attorney filed a complaint in May  
11 2015, the content of which speaks for itself. Except as admitted, Shrewsberry lacks  
12 knowledge or information sufficient to form a belief about the truth of the allegations in  
13 paragraph 499, and on that basis denies those allegations.

14           500. Shrewsberry lacks knowledge or information sufficient to form a belief  
15 about the truth of the allegations in paragraph 500, and on that basis denies those  
16 allegations.

17           501. Shrewsberry lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in paragraph 501, and on that basis denies those  
19 allegations.

20           502. Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations in paragraph 502, and on that basis denies those  
22 allegations.

23           503. Shrewsberry understands that the OCC takes the position that its  
24 supervisory communications with Wells Fargo are privileged and confidential  
25 supervisory information (with the privilege owned and controlled by the OCC), and that  
26 no response is permitted or appropriate. Accordingly, Shrewsberry responds to the  
27 allegations of paragraph 503 by stating that he lacks knowledge or information sufficient  
28

1 to form a belief as to the truth of the allegations, and on that basis denies them and refers  
2 the Court to the referenced document for its content.

3 504. Shrewsberry lacks knowledge or information sufficient to form a belief  
4 about the truth of the allegations in paragraph 504, and on that basis denies those  
5 allegations.

6 505. Shrewsberry lacks knowledge or information sufficient to form a belief  
7 about the truth of the allegations in paragraph 505, and on that basis denies those  
8 allegations.

9 506. Shrewsberry lacks knowledge or information sufficient to form a belief  
10 about the truth of the allegations in paragraph 506, and on that basis denies those  
11 allegations.

12 507. Paragraph 507 of the Complaint contains conclusions of law to which no  
13 response is required. To the extent that a response is required, Shrewsberry lacks  
14 knowledge or information sufficient to form a belief about the truth of the allegations in  
15 paragraph 507, and on that basis denies those allegations.

16 508. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations in paragraph 508, and on that basis denies those  
18 allegations.

19 509. Paragraph 509 of the Complaint contains conclusions of law to which no  
20 response is required. To the extent that a response is required, Shrewsberry lacks  
21 knowledge or information sufficient to form a belief about the truth of the allegations in  
22 paragraph 509, and on that basis denies those allegations.

23 510. Shrewsberry lacks knowledge or information sufficient to form a belief  
24 about the truth of the allegations in paragraph 510, and on that basis denies those  
25 allegations.

26 511. Paragraph 511 of the Complaint contains conclusions of law to which no  
27 response is required. To the extent that a response is required, Shrewsberry lacks  
28

1 knowledge or information sufficient to form a belief about the truth of the allegations in  
2 paragraph 511, and on that basis denies those allegations.

3 512. Paragraph 512 of the Complaint contains conclusions of law to which no  
4 response is required. To the extent that a response is required, Shrewsberry lacks  
5 knowledge or information sufficient to form a belief about the truth of the allegations in  
6 paragraph 512, and on that basis denies those allegations.

7 513. Shrewsberry admits that Defendants Chen, Dean, Engel, James, and Sanger  
8 served during the alleged Relevant Period on the Board's Human Resources Committee.  
9 To the extent that Plaintiffs purport to paraphrase Wells Fargo's proxy statements and the  
10 Charter of Wells Fargo's Board of Directors' Human Resources' Committee,  
11 Shrewsberry responds that the contents of those documents speak for themselves. Except  
12 as admitted, Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations in paragraph 513, and on that basis denies those  
14 allegations.

15 514. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations in paragraph 514, and on that basis denies those  
17 allegations.

18 515. Shrewsberry admits that the 2015 Wells Fargo Proxy Statement, contains  
19 the language quoted in paragraph 515. Except as admitted, Shrewsberry lacks knowledge  
20 or information sufficient to form a belief about the truth of the allegations in paragraph  
21 515, and on that basis denies those allegations.

22 516. Shrewsberry admits that on September 29, 2016, Wells Fargo announced  
23 that "Stumpf will forfeit all of his outstanding unvested equity awards, valued at  
24 approximately \$41 million" and that Tolstedt "has forfeited all outstanding unvested  
25 equity awards valued at approximately \$19 million." Shrewsberry admits that Stumpf  
26 testified before the House Financial Services Committee that day. Shrewsberry also  
27 admits that a Bloomberg article quoted an analyst who purportedly said that the actions  
28 against executives were "more about optics than substance." Except as admitted,



1 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
2 the allegations in paragraph 516, and on that basis denies those allegations.

3 517. Paragraph 517 of the Complaint contains conclusions of law to which no  
4 response is required. To the extent that a response is required, Shrewsberry lacks  
5 knowledge or information sufficient to form a belief about the truth of the allegations in  
6 paragraph 517, and on that basis denies those allegations.

## 7 **XII. TIMELINESS**

8 518. Shrewsberry denies the allegations in paragraph 518 to the extent alleged  
9 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
10 about the truth of the allegations concerning any Defendant other than himself, and on  
11 that basis denies those allegations.

12 519. Shrewsberry admits that the transcript of the Barclays Americas Select  
13 Conference held on May 19, 2015 contains the statement quoted and attributed to him,  
14 without the added emphasis. The content of the document speaks for itself. Except as  
15 admitted, Shrewsberry lacks knowledge or information sufficient to form a belief about  
16 the truth of the allegations in paragraph 519, and on that basis denies those allegations.

17 520. Shrewsberry lacks knowledge or information sufficient to form a belief  
18 about the truth of the allegations in paragraph 520, and on that basis denies those  
19 allegations.

20 521. Shrewsberry denies the allegations in paragraph 521 to the extent alleged  
21 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
22 about the truth of the allegations concerning any Defendant other than himself, and on  
23 that basis denies those allegations.

24 522. Paragraph 522 of the Complaint contains conclusions of law to which no  
25 response is required. To the extent a response is required, Shrewsberry denies the  
26 allegations in paragraph 522 to the extent alleged against him. Shrewsberry lacks  
27 knowledge or information sufficient to form a belief about the truth of the allegations  
28 concerning any Defendant other than himself, and on that basis denies those allegations.

1           523. Paragraph 523 of the Complaint contains conclusions of law to which no  
2 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
3 or information sufficient to form a belief about the truth of the allegations in paragraph  
4 523, and on that basis denies those allegations.

### 5           **XIII. CLAIMS FOR RELIEF**

#### 6                               **COUNT I**

#### 7                               **Breach of Fiduciary Duty Against All Defendants**

8           524. Shrewsberry incorporates by reference each of the foregoing responses as  
9 though fully set forth in this paragraph.

10          525. Paragraph 525 of the Complaint contains conclusions of law to which no  
11 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
12 or information sufficient to form a belief about the truth of the allegations in paragraph  
13 525, and on that basis denies those allegations.

14          526. Shrewsberry denies the allegations in paragraph 521 to the extent alleged  
15 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations concerning any Defendant other than himself, and on  
17 that basis denies those allegations.

18          527. Shrewsberry denies the allegations in paragraph 527 to the extent alleged  
19 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
20 about the truth of the allegations concerning any Defendant other than himself, and on  
21 that basis denies those allegations.

22          528. Shrewsberry denies the allegations in paragraph 528 to the extent alleged  
23 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
24 about the truth of the allegations concerning any Defendant other than himself, and on  
25 that basis denies those allegations.

26          529. Shrewsberry denies the allegations in paragraph 529 to the extent alleged  
27 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
28

1 about the truth of the allegations concerning any Defendant other than himself, and on  
2 that basis denies those allegations.

3 530. Shrewsberry denies the allegations in paragraph 530 to the extent alleged  
4 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
5 about the truth of the allegations concerning any Defendant other than himself, and on  
6 that basis denies those allegations.

7 531. Paragraph 531 of the Complaint contains conclusions of law to which no  
8 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
9 or information sufficient to form a belief about the truth of the allegations in paragraph  
10 525, and on that basis denies those allegations. To the extent paragraph 531 contains  
11 factual allegations, Shrewsberry denies the allegations in paragraph 531 to the extent  
12 alleged against him. Shrewsberry lacks knowledge or information sufficient to form a  
13 belief about the truth of the allegations concerning any Defendant other than himself, and  
14 on that basis denies those allegations.

15 532. Shrewsberry denies the allegations in paragraph 532 to the extent alleged  
16 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations concerning any Defendant other than himself, and on  
18 that basis denies those allegations.

19 533. Paragraph 531 of the Complaint contains conclusions of law to which no  
20 response is required. To the extent paragraph 533 contains factual allegations against  
21 Shrewsberry, he denies those allegations. To the extent paragraph 533 contains  
22 allegations against other defendants, Shrewsberry lacks knowledge or information  
23 sufficient to form a belief about the truth of the allegations concerning any Defendant  
24 other than himself, and on that basis denies those allegations.

25 534. Shrewsberry denies the allegations in paragraph 534 to the extent alleged  
26 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
27 about the truth of the allegations concerning any Defendant other than himself, and on  
28 that basis denies those allegations.

535. Shrewsberry denies the allegations in paragraph 535 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

536. Shrewsberry denies the allegations in paragraph 536 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

537. Shrewsberry denies the allegations in paragraph 537 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

## COUNT II

## Unjust Enrichment against All Defendants

538. Shrewsberry incorporates by reference each of the foregoing responses as though fully set forth in this paragraph.

539. Paragraph 539 of the Complaint contains conclusions of law to which no response is required. To the extent paragraph 539 contains factual allegations, Shrewsberry denies the allegations in paragraph 539 to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

540. Paragraph 540 of the Complaint contains conclusions of law to which no response is required. To the extent paragraph 540 contains factual allegations, Shrewsberry denies the allegations to the extent alleged against him. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning any Defendant other than himself, and on that basis denies those allegations.

**COUNT III**

**Breach of Fiduciary Duty against Insider Selling Defendants**

541. Shrewsberry incorporates by reference each of the foregoing responses as though fully set forth in this paragraph.

542. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 542, and on that basis denies those allegations.

543. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 543, and on that basis denies those allegations.

544. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 544, and on that basis denies those allegations.

545. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 543, and on that basis denies those allegations.

**COUNT IV**

**Violation of Section 14(A) against Director Defendants**

546. Shrewsberry incorporates by reference each of the foregoing responses as though fully set forth in this paragraph. Paragraph 546 of the Complaint contains conclusions of law to which no response is required. To the extent paragraph 546 contains factual allegations, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations and on that basis denies them.

547. Shrewsberry admits that paragraph 547 accurately quotes 17 CFR 240.14a-9(a).

548. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 548, and on that basis denies those allegations.



1 about the truth of the allegations concerning any Defendant other than himself, and on  
2 that basis denies those allegations.

3 557. Shrewsberry denies the allegations in paragraph 557 to the extent alleged  
4 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
5 about the truth of the allegations concerning any Defendant other than himself, and on  
6 that basis denies those allegations.

7 558. Shrewsberry denies the allegations in paragraph 558 to the extent alleged  
8 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
9 about the truth of the allegations concerning any Defendant other than himself, and on  
10 that basis denies those allegations.

11 559. Shrewsberry denies the allegations in paragraph 559 to the extent alleged  
12 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
13 about the truth of the allegations concerning any Defendant other than himself, and on  
14 that basis denies those allegations.

15 560. Shrewsberry denies the allegations in paragraph 560 to the extent alleged  
16 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
17 about the truth of the allegations concerning any Defendant other than himself, and on  
18 that basis denies those allegations.

19 561. Shrewsberry denies the allegations in paragraph 561 to the extent alleged  
20 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
21 about the truth of the allegations concerning any Defendant other than himself, and on  
22 that basis denies those allegations.

23 562. Paragraph 562 of the Complaint contains legal conclusions to which no  
24 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
25 or information sufficient to form a belief about the truth of the allegations in paragraph  
26 562, and on that basis denies those allegations.



**COUNT VI**

**Violation Of Section 20a Against Insider Selling Defendants**

563. Shrewsberry incorporates by reference each of the foregoing responses as though fully set forth in this paragraph.

564. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 564, and on that basis denies those allegations.

565. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 565, and on that basis denies those allegations.

566. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 566, and on that basis denies those allegations.

567. Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 567, and on that basis denies those allegations.

568. Paragraph 568 of the Complaint contains conclusions of law to which no response is required. To the extent paragraph 568 contains factual allegations, Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of the allegations and on that basis denies them.

**COUNT VII**

**Violation of Section 29(B) against All Defendants**

569. Shrewsberry incorporates by reference each of the foregoing responses as though fully set forth in this paragraph.

570. Paragraph 570 of the Complaint contains conclusions of law to which no response is required. To the extent paragraph 570 contains factual allegations, Shrewsberry denies the allegations to the extent alleged against him. Shrewsberry lacks

1 knowledge or information sufficient to form a belief about the truth of the allegations  
2 concerning any Defendant other than himself, and on that basis denies those allegations.

3 571. Shrewsberry admits that Wells Fargo has a clawback policy, that is set forth  
4 in its proxy statements and that has varied over time. Except to as admitted, Shrewsberry  
5 lacks knowledge or information sufficient to form a belief about the truth of the  
6 allegations in paragraph 571, and on that basis denies those allegations.

7 572. Shrewsberry lacks knowledge or information sufficient to form a belief  
8 about the truth of the allegations in paragraph 572, and on that basis denies those  
9 allegations.

10 573. Paragraph 573 of the Complaint contains conclusions of law to which no  
11 response is required. To the extent paragraph 573 contains factual allegations,  
12 Shrewsberry lacks knowledge or information sufficient to form a belief about the truth of  
13 the allegations and on that basis denies them.

14 574. Shrewsberry denies the allegations of paragraph 574 to the extent alleged  
15 against him. Shrewsberry lacks knowledge or information sufficient to form a belief  
16 about the truth of the allegations concerning any Defendant other than himself, and on  
17 that basis denies those allegations.

18 575. Paragraph 575 of the Complaint contains conclusions of law to which no  
19 response is required. To the extent paragraph 575 contains factual allegations,  
20 Shrewsberry denies the allegations to the extent alleged against him. Shrewsberry lacks  
21 knowledge or information sufficient to form a belief about the truth of the allegations  
22 concerning any Defendant other than himself, and on that basis denies those allegations.

23 576. Paragraph 576 of the Complaint contains legal conclusions to which no  
24 response is required. To the extent a response is required, Shrewsberry lacks knowledge  
25 or information sufficient to form a belief about the truth of the allegations in paragraph  
26 576 and therefore denies them.

27 577. Paragraph 577 of the Complaint contains conclusions of law to which no  
28 response is required. To the extent paragraph 570 contains factual allegations,

1 Shrewsberry denies the allegations to the extent alleged against him. Shrewsberry lacks  
2 knowledge or information sufficient to form a belief about the truth of the allegations  
3 concerning any Defendant other than himself, and on that basis denies those allegations.

4 578. Shrewsberry admits that Plaintiffs seek declaratory, injunctive, and  
5 equitable relief, but denies that Plaintiffs are entitled to any relief.

## 6 **COUNT VIII**

### 7 **Violation of Section 25402**

8 579. Shrewsberry incorporates by reference each of the foregoing responses as  
9 though fully set forth in this paragraph.

10 580. The Court has dismissed this count with prejudice. No response is  
11 required.

12 581. The Court has dismissed this count with prejudice. No response is  
13 required.

14 582. The Court has dismissed this count with prejudice. No response is  
15 required.

16 583. The Court has dismissed this count with prejudice. No response is  
17 required.

## 18 **COUNT IX**

### 19 **Violation of Section 15403 against The Director Defendants**

20 584. Shrewsberry incorporates by reference each of the foregoing responses as  
21 though fully set forth in this paragraph.

22 585. The Court has dismissed this count with prejudice. No response is  
23 required.

24 586. The Court has dismissed this count with prejudice. No response is  
25 required.

26 587. The Court has dismissed this count with prejudice. No response is  
27 required.



1 a Shrewsberry. Except as admitted, Shrewsberry denies the allegations to the extent  
 2 alleged against him. Shrewsberry lacks knowledge or information sufficient to form a  
 3 belief about the truth of the allegations concerning any Defendant other than himself, and  
 4 on that basis denies those allegations.

5 596. Paragraph 596 of the Complaint contains conclusions of law to which no  
 6 response is required. To the extent paragraph 596 contains factual allegations,  
 7 Shrewsberry denies the allegations to the extent alleged against him. Shrewsberry lacks  
 8 knowledge or information sufficient to form a belief about the truth of the allegations  
 9 concerning any Defendant other than himself, and on that basis denies those allegations.

### 10 **RESPONSE TO PLAINTIFFS' PRAYER FOR RELIEF**

11 As set forth above in response to the numbered paragraphs of the Complaint, it is  
 12 denied that Plaintiffs are entitled to any of the relief prayed for in the Complaint or to any  
 13 relief whatsoever. It is further denied that Plaintiffs are entitled to any award of  
 14 compensatory damages, any costs or expenses of this litigation, or any other relief of any  
 15 kind.

### 16 **AFFIRMATIVE DEFENSES**

17 Shrewsberry asserts the following affirmative defenses. To the extent any of the  
 18 defenses, in whole or in part, serve merely to negate an element of a cause of action,  
 19 Shrewsberry in no way seeks to relieve Plaintiffs of their burden of proof or persuasion  
 20 on that element.

### 21 **FIRST AFFIRMATIVE DEFENSE**

#### 22 **(Failure to State a Cause of Action)**

23 Each cause of action is barred because the Complaint fails to state facts sufficient  
 24 to constitute a cause of action.

25 The Complaint fails to state facts sufficient to constitute a cause of action in light  
 26 of the specific denials set forth above, which Shrewsberry incorporates herein by  
 27 reference.  
 28

**SECOND AFFIRMATIVE DEFENSE**

**(No Standing)**

Each cause of action is barred in whole or in part because Plaintiffs lack standing to assert the claims alleged in the Complaint.

**THIRD AFFIRMATIVE DEFENSE**

**(Statute of Limitations)**

Each cause of action is barred in whole or in part by the applicable statutes of limitation and other applicable periods of repose.

**FOURTH AFFIRMATIVE DEFENSE**

**(Laches)**

Each cause of action is barred in whole or in part by the doctrine of laches.

On information and belief, Plaintiffs had full knowledge of the allegedly wrongful acts that they challenge in the Complaint at (or soon after) the times at which they purportedly occurred. Plaintiffs then stood by for an unreasonable length of time without taking steps to set aside the acts or otherwise intervene on behalf of Wells Fargo, thereby intentionally relinquishing the right to do so.

**FIFTH AFFIRMATIVE DEFENSE**

**(No Director or Officer Liability)**

Each cause of action is barred in whole or in part by Delaware General Corporation Law § 102(b)(7), by California Corporations Code § 204(a)(10), by Wells Fargo's bylaws and certificate of incorporation, and by other provisions of applicable law relating to the liabilities of directors and officers of a Delaware corporation.

**SIXTH AFFIRMATIVE DEFENSE**

**(No Breach of Duty)**

Each cause of action is barred in whole or in part because Shrewsberry did not breach the duties of care, loyalty, or any other fiduciary duty imposed by Delaware, California, or other law.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Lack of Knowledge and Scierter)**

Each cause of action is barred in whole or in part because Shrewsberry did not know of the purported inaccuracy of any of the alleged misstatements and did not know of any material omissions from those statements, and could not have become aware of the alleged inaccuracy and/or omissions in the exercise of reasonable care.

As set forth above, there were no misstatements or omissions in any event, but even if one assumes for the sake of argument that such misstatements or omissions exist, there is no evidence to suggest that Shrewsberry acted with knowledge or scierter. To the contrary, Shrewsberry acted at all times in the best interests of Wells Fargo.

**EIGHTH AFFIRMATIVE DEFENSE**

**(Good Faith)**

Each cause of action is barred in whole or in part because Shrewsberry acted at all times in good faith, with reasonable care, and with due diligence in carrying out his responsibilities. Shrewsberry did not directly or indirectly control or induce any wrongful acts or omissions and did no unlawful act or thing directly or indirectly through or by means of any other person. In addition, Shrewsberry acted in good faith in relying on the information, reports, or opinions of the Wells Fargo's officers and employees.

**NINTH AFFIRMATIVE DEFENSE**

**(Business Judgment Rule)**

Each cause of action is barred in whole or in part because Shrewsberry's actions were at all times a valid exercise of business judgment.

**TENTH AFFIRMATIVE DEFENSE**

**(Group Pleading)**

Each cause of action is barred in whole or in part because Shrewsberry cannot be held liable under the group pleading doctrine.



**ELEVENTH AFFIRMATIVE DEFENSE**

**(No Personal Interest)**

Each cause of action is barred in whole or in part because Shrewsberry was not a party to or otherwise personally interested in any transaction that the director defendants approved in their capacity as directors of Wells Fargo.

**TWELFTH AFFIRMATIVE DEFENSE**

**(No Causation)**

Each cause of action is barred in whole or in part because Shrewsberry was not the cause of any alleged injury or loss suffered by Wells Fargo. Wells Fargo's injuries or damages, to the extent they exist, were caused by supervening events unconnected to Shrewsberry.

**THIRTEENTH AFFIRMATIVE DEFENSE**

**(Ratification, Acquiescence, Waiver, and Estoppel)**

Each cause of action is barred in whole or in part by the doctrines of ratification, acquiescence, waiver, and/or estoppel.

**FOURTEENTH AFFIRMATIVE DEFENSE**

**(Inequitable Conduct and Unclean Hands)**

Each cause of action is barred in whole or in part by the doctrines of inequitable conduct, unclean hands and/or other equitable defenses.

**FIFTEENTH AFFIRMATIVE DEFENSE**

**(*In Pari Delicto*)**

Without conceding that Shrewsberry has acted wrongly or negligently, or that any act of Shrewsberry caused harm to Wells Fargo, each of the claims made by Plaintiffs against Shrewsberry are barred, in whole or in part, by the doctrine of *in pari delicto*.

**SIXTEENTH AFFIRMATIVE DEFENSE**

**(Pre-Arranged Trading Schedules)**

Each cause of action is barred in whole or in part because Shrewsberry sold Wells Fargo stock according to pre-arranged trading plans under Rule 10b5-1 of the Securities and Exchange Act of 1934.

**SEVENTEENTH AFFIRMATIVE DEFENSE**

**(Lack of Ownership)**

Each cause of action is barred in whole or in part by Delaware General Corporation Law § 327, by California Corporations Code § 800(b)(1), and by other provisions of applicable law relating to derivative actions.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

**(Failure to Make Demand)**

Each cause of action is barred in whole or in part because Plaintiffs failed to make a pre-suit demand on the Board of Directors and because such demand would not have been futile.

**NINETEENTH AFFIRMATIVE DEFENSE**

**(Failure to Mitigate Damages)**

As to each cause of action, without admitting that Wells Fargo was injured in any way or is entitled to any damages, the Complaint fails to allege facts that establish Wells Fargo mitigated its alleged injuries.

**TWENTIETH AFFIRMATIVE DEFENSE**

**(Speculative Damages)**

As to each cause of action, the alleged damages, if any, are speculative and because of the impossibility of the ascertainment and allocation of the alleged damages.

**TWENTY-FIRST AFFIRMATIVE DEFENSE**

**(Setoff / Offsetting Benefit Doctrine)**

To the extent that Shrewsberry's alleged conduct damaged Wells Fargo in any manner, that amount of damages, if any, must be offset against the value of the benefits Shrewsberry's alleged conduct conferred on Wells Fargo.

**TWENTY-SECOND AFFIRMATIVE DEFENSE**

**(Attorneys', Accountants', Consultants', and Experts' Fees and Expenses Not Recoverable)**

As to each cause of action, Plaintiffs and Plaintiffs' counsel are precluded from recovering attorneys' fees, accountants' fees, consultants' fees, and/or experts' fees and/or expenses under applicable provisions of law.

**TWENTY-THIRD AFFIRMATIVE DEFENSE**

**(No Reliance/Transaction Causation)**

The Complaint fails to adequately plead reliance/transaction causation and, in fact, Plaintiffs cannot prove reliance/transaction causation. Plaintiffs cannot establish reliance/transaction causation to the extent that the alleged misrepresentations and omissions did not affect the market price of Wells Fargo's stock, such that any fraud-on-the-market presumption of reliance is rebutted, either because market makers were privy to information that corrected any alleged misstatement or omission, because information that corrected any alleged misstatement or omission had credibly entered the market, and/or for any other reason that establishes that the alleged misstatements or omissions did not affect the market price of Wells Fargo's stock.

Plaintiffs cannot establish reliance/transaction causation to the extent that Plaintiffs either knew or had reason to know information that corrected the alleged misstatements or omissions or, even if they did not have such information, would have made their alleged purchase of Wells Fargo stock during the purported Relevant Period

1 even if they had possessed such information, such that any fraud-on-the-market  
2 presumption of reliance is rebutted.

3 **TWENTY-FOURTH AFFIRMATIVE DEFENSE**

4 **(No Fraud-on-the-Market Presumption)**

5 Plaintiffs are not entitled to the fraud-on-the-market presumption of reliance to the  
6 extent that they cannot prove the factual predicates for that presumption, including the  
7 predicates that Wells Fargo's stock traded on an open and efficient market and that the  
8 alleged misstatements or omissions on which Plaintiffs' claims are based were material.

9 **TWENTY-FIFTH AFFIRMATIVE DEFENSE**

10 **(No Loss Causation)**

11 The Complaint fails to adequately plead loss causation and, in fact, Plaintiffs  
12 cannot prove loss causation.

13 **TWENTY-SIXTH AFFIRMATIVE DEFENSE**

14 **(Reliance on Records, Management, and Experts)**

15 Plaintiffs' claims are barred, in whole or in part, because the Shrewsberry  
16 reasonably and in good faith relied on the records of the Company; on information,  
17 opinions, reports, or statements presented by the Company's officers or other employees;  
18 and on advice of experts.

19 **TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

20 **(Reliance on Existing System of Controls)**

21 Plaintiffs' claims are barred, in whole or in part, because the Shrewsberry  
22 reasonably and in good faith relied on a system of controls that was audited and about  
23 which they received information from the Company's officers or other employees, and  
24 from experts.

**RIGHTS RESERVED**

Shrewsberry reserves the right to allege other defenses as they become known during the course of discovery, and specifically reserve the right to amend his Answer to allege such defenses as they become known.

**PRAYER FOR RELIEF**

That the relief sought by the Complaint be denied in its entirety;

That judgment be entered in favor of Shrewsberry and that this action be dismissed with prejudice;

That Shrewsberry be awarded costs to the maximum extent allowable by law; and

That Shrewsberry be granted such further relief as this Court may deem just and proper.

**JURY DEMAND**

Shrewsberry demands a trial by jury on all aspects of this case so triable.

Dated: January 8, 2018

Respectfully Submitted,

RAMSEY & EHRLICH LLP

/s/Ismail Ramsey  
ISMAIL RAMSEY  
MILES EHRLICH  
KATHARINE KATES  
*Attorneys for John R. Shrewsberry*